Daily Report

Latin America

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Cuba

Castro Discusses Possibility of Retirement

PA2111032291 Hamburg DPA in Spanish 1704 GMT 19 Nov 91

[Text] Mexico City, 19 November 1991 (DPA)—President Fidel Castro has told a Mexican newspaper that he would be "happy" if he could set aside his responsibilities as the head of the Cuban Government, but that "it would not be honorable" to do this in a time of crisis.

In an extensive interview granted to the Mexican Government newspaper EL NACIONAL and published on 19 November, Castro pointed out that his retirement would mean that his work "is no longer necessary" and that the revolution can march ahead on its own with "new talent."

When responding to how much more time he plans to be in politics, Castro said "the less time, the better." Castro noted: "If we really could retire soon, we would be very happy, because it would be a measure of our success."

Castro added: "This would mean that we have made great progress, that our work is no longer necessary. It is one of our dreams for the revolution to march ahead on its own, not because of our efforts, but by its own efforts, resources, people, and new talent."

Nevertheless, Castro noted that "it would not be considered honorable" if he stopped doing in times of crisis such as these what he has done for so many years.

"However, [if I could retire] I would be happy, because it would be a measure of success when my comrades can get along without my efforts, which are nothing more than part of the efforts of millions of citizens in this country, but simply with some prominence due to my responsibilities," he concluded.

'Intensified' Police System Announced for Havana

FL2011154591 Havana Radio Rebelde Network in Spanish 1312 GMT 20 Nov 91

[Text] A Unified Vigilance System, SUV, will begin operating on 1 December at sector and territorial unit levels of the National Revolutionary Police [PNR] in all 15 municipalities of the capital. One of the objectives of the SUV is to coordinate the efforts of all the people's revolutionary forces involved in this task under the leadership of the Communist Party of Cuba [PCC].

This information was announced during a seminar for municipal first secretaries of the PCC, presidents of the Municipal Assemblies of the Peoples' Goverment, representatives of the Interior Ministry and mass organizations, as well as judges, prosecutors, and PNR sector chiefs.

It was also reported in the meeting that weapons will be distributed to selected workers in factories, warehouses, and other facilities to protect the material resources produced or stored in these units. The measures being adopted to implement the unified system of vigilance and protection in Havana were also explained in the meeting.

The PNR in Havana has intensified its efforts against the main criminal sectors and is creating new police centers at the district level to fight criminal actions and antisocial behavior.

Commentary Notes Increased Criminal Activity

FL2011155591 Havana Radio Rebelde Network in Spanish 1255 GMT 20 Nov 91

["Our Opinion" commentary by Orlando Contreras]

[Text] While the entire country gathers its strength to overcome this crisis, we have observed an increase in some criminal activities. The truth is that it is infuriating that these criminals act and take advantage of the situation while the people, men and women who work hard in spite of all the difficulties in transportation and supplies, are working. There are two types of crime that we must face with determination. First, there are the illegal activities of those who take advantage of shortages and traffic to exploit the needs and work of the people. Second—and I think we must say this without beating around the bush—we must energetically combat thieves, especially those who steal by using violence.

I do not know what the latest statistics on the matter are, but it is evident that there has been an outbreak of violent theft. As we are faced with this evil, the reaction of the people and institutions must be energetic and immediate. Our cities must continue to be as they have been up to now: safe places where any worker or resident can walk the streets at any hour he or she pleases or needs to without the fear of running into a criminal incident. In these times of struggle, when we can overcome the lack of supplies and other problems generated by this economic crisis only through hard work, those who believe that they can attack the workers' property or attack them physically should be rebuked as energetically as possible, with all the weight of the law, the institutions, and the people.

Workers Mobilized for Agricultural Labor

FL2011195291 Havana Tele Rebelde Network in Spanish 1200 GMT 18 Nov 91

[Text] Approximately 14,000 workers have permanently mobilized to agrarian labor in Las Tunas Province so far this year, with the purpose of boosting sugarcane and miscellaneous crop efforts. According to statements made to AIN [National News Agency] by Alberto Guerra Alvarez, secretary general of the CTC [Cuban Workers Federation] in Las Tunas, more than 2,690,000 workdays of voluntary labor have been contributed through daily mobilizations in the agrarian sector alone.

In the region of Las Tunas, more than 2,500 work centers have self-sufficiency plots and are currently preparing to take advantage of the very beneficial humidity left in the fields by recent rains.

Sugarcane Processing Industry Advances Examined

PA2011151191 Havana Radio Havana Cuba in Spanish 0000 GMT 19 Nov 91

[Commentary by Roberto Morejon]

[Text] Sugar production is very important to the Cuban economy and during the next few years it will continue to be this country's principal export product. It will also continue to be an essential foundation to national programs on animal nourishment, biotechnology, and the chemical industry.

The efficient development of the sugar processing industry plays an important role as a national economic activity. For such purposes, the Cuban labor force as a whole is preparing for the beginning of the 1991-92 sugarcane harvest period.

After several months, the repair and maintenance of sugar mills have been completed. During this time period, the indiscriminate tearing apart of equipment and machinery was carefully avoided. In addition, thousands of spare parts have been rebuilt to replace parts previously provided by the East European countries.

The Cuban Ministry of the Sugar Industry plans to increase the efficiency of the annual sugar harvest. For this purpose it has issued instructions to search for improved results from the application of advanced technology.

The widespread use of the multiplough during the sowing phase, the process known as aerial microjet in irrigation, in addition to the use of various assorted biotechnological methods, are examples of the procedures that will be used during the 1991-92 sugarcane harvest.

The traditional effort by sugar refiners to cut energy consumption is once again renewed due to the severe crude oil shortage Cuba is currently experiencing. The assembly of straw mills is now being done in many sugar mills. The straw extracted from the sugarcane mills is then used as fuel for the ovens. This has been viewed as an option to decrease the cost of fuel in sugar production.

In spite of the shortage, Cuba has been able to secure the fuel required by the agricultural equipment used during the sugarcane harvest. It would be impossible to do without this equipment at this early stage. If this should happen, then thousands of men would have to be used to replace the equipment.

The Sugar Ministry is determined to obtain a satisfactory sugarcane harvest by using the minimum amount of fuel and by maximizing the output of all sugar by-products.

* Labor Force in Sugar Industry Stabilized

92P40063B

[Editorial Report] Havana TRABAJADORES in Spanish of 28 October 1991 on page 3 reports that fewer workers are leaving the sugar industry. According to Luis Manuel Castanedo, a member of the Secretariat of the National Union of Sugar Workers, 19,000 workers leave the sugar industry each year, out of a total of 75,000 workers. This fluctuation has been reduced by 50 percent, due to measures taken during the last harvest. For example, wages for eight fundamental positions and working conditions have been improved. Furthermore, Resolution 18 allows managers in each sugar mill to select workers based on job requirements and worker experience. The article further reports that in some sugar mills a single individual performs a particular job, rather than a variety of jobs.

* Pan-Am Village Housing Given to Workers

92P40063A

[Editorial Report] Havana GRANMA in Spanish of 24 October 1991 on page 6 reports that 345 Pan-American Village apartments have been handed over to 345 families. Minibrigade workers who helped build the complex are acquiring the two- and three-room apartments and are also allowed to purchase on easy-payment terms the furnishings, appliances, and decorations. A centralized office has been established to simplify the process of handing over keys and property titles. There are now 865 residents in the Village.

Delegations for Quadripartite Meeting Arrive

South Africans Arrive

FL2111031291 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 21 Nov 91

[Text] The South African delegation that will participate in the quadripartite meeting, along with Angola, Namibia, and Cuba, has arrived in Havana from the United States. The group is headed by Neil van Heerden, general director of the Foreign Ministry. He was met by Central Committee members Jesus Bermudez Cutino, division general of the Ministry of Interior, and Fernando Ramirez Estenoz; and Rodolfo Puentes Ferro, official of the Central Committee's Department of Foreign Relations.

Upon the group's arrival, the leader of the delegation made the following comments:

[Begin Van Heerden recording in English with simultaneous Spanish translation] We are very satisfied and we believe that there has been complete adherence by all the

parties to the obligations they undertook in New York in December 1988. We believe that this agreement can serve as a model in the peaceful settlement of the conflicts. [end recording]

Previous meetings have been held in the participating countries. This is the third meeting to be held in Havana. As established in the New York Agreements of December 1988, U.S. and USSR observers will also be present at this meeting.

Angolan Group Arrives

FL2011130991 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 20 Nov 91

[Text] The Angolan delegation that is to participate in the 11th quadripartite meeting arrived in our country this afternoon. The Angolan delegation is headed by Antonio dos Santos Franca, vice minister of defense, chief of the FAPLA [People's Armed Forces for the Liberation of Angola] General Staff, and a member of the MPLA [Popular Movement for the Liberation of Angola] Politburo. This meeting will be held on 21 and 22 November. One of its major goals will be to evaluate the work done to date and the progress of the compliance with the agreements reached at previous meetings.

[Begin recording of unidentified speaker, in progress-]...the issues mainly concerning not only final compliance with all the agreements, but also the possibility of continuing this commission. Because of its very positive work in South Africa, this is something we have to seriously consider because we believe this commission has not yet lost its scope and energy, mainly in solving the various problems of the parties that signed the New York agreements. [end recording]

Soviet Delegation Arrives

FL2111025191 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 21 Nov 91

[Text] The Soviet delegation to the 11th meeting of the joint commission that monitors the agreements reached in New York on southwestern Africa arrived in Havana today. Ambassador Vladimir Kazimirov, director of the USSR Foreign Relations Ministry, was met by Jose Peraza, official of the Department of Foreign Relations of the Central Committee of the Communist Party of Cuba; Carlos Trejo, acting director of Foreign Relations Ministry; and Soviet Ambassador to Cuba Arnold Kalinin. The Soviet delegation will be headed by Ambassador at Large Vyacheslav Ustinov.

Cabrisas Attends Group of 77 Meeting in Tehran

FL2011132591 Havana Tele Rebelde Network in Spanish 1200 GMT 20 Nov 91

[Text] Foreign Trade Minister Ricardo Cabrisas has said in Tehran that the Group of 77 is of vital importance as it enables its 128 Third World members to advance in the search for definite solutions to their problems. Cabrisas spoke during the meeting of the Group of 77, which was opened by Iranian President Ali Akbar Hashemi-Rafsanjani, and which includes ministers and representatives from 128 countries. Cabrisas pointed out that economic growth and development require political determination and international cooperation. The Cuban minister added that development is not possible if the problems of foreign debt and transference of technologies are not solved.

Stresses Importance of Group

FL2111025291 Havana Radio Rebelde Network in Spanish 0000 GMT 21 Nov 91

[Text] Cuban Foreign Trade Minister Ricardo Cabrisas Ruiz has said that the Group of 77 is very important for Third World countries under the current international situation. Cabrisas, who is heading the Caribbean delegation to the seventh ministerial meeting of the Group of 77 being held prior to the Eighth UN Conference on Trade and Development, UNCTAD, also said that understanding is the political will of the South and that the charges that the Group of 77 is hindering North-South rapprochement are false.

Vice President Stops in Mexico on Way to PRC

PA2111014091 Paris AFP in Spanish 0212 GMT 19 Nov 91

[Text] Mexico City, Nov 18 (AFP)—Cuban Vice President Carlos Rafael Rodriguez made a stopover in Mexico City on his way to Beijing. Rodriguez held a news conference when he arrived on 18 November. He said that Cuba and the PRC have the "will to continue increasing and strengthening their relations, in all spheres. [no ending quotation mark as received]

He was asked if the Cuban Government had tried to get more support from PRC now that European socialism had fallen. He replied that the ties between both nations date back many years, and "are very solid and balanced." He added that the eastern country is "a friend on which we rely."

At the Mexico City International Airport, the Cuban vice president said his government had not requested oil from Mexico, Venezuela, or any other Latin American country and had not asked to be included in the San Jose Pact.

Rodriguez commented that Mexico and Venezuela—the countries that sponsor the Pact—sell crude oil under very flexible conditions to several countries in the region. However, Pact regulations do not allow Cuba to benefit from it. The agreement stipulates that 80 percent of the invoice has to be paid in cash and the remaining 20 percent is a low interest loan.

The Cuban leader reported that Cuba will present the topic of the U.S. blockade at the United Nations again in 1992. He added, however, that it will also present the matter at different forums before then.

Sources from the Cuban Embassy said that the CPC had invited Rodriguez to visit Beijing, but they did not give any details on the concrete objectives of his tour.

Rodriguez did not say what he planned to do in Mexico or when he planned to continue his trip to Havana.

Commentary on U.S. Attitude Toward Embargo

FL2011144791 Havana Radio Rebelde Network in Spanish 0038 GMT 20 Nov 91

[Commentary by Lazaro Barredo on the "Exclusivo" program: "The False Appraisals of Mr. Pickering and Company"]

[Text] U.S. public opinion is truly manipulated by its politicians. One week has passed since Cuba presented the embargo issue at the current session of the UN General Assembly, and we can see the reports that have circulated in the United States. For example, U.S. Ambassador to the United Nations Thomas Pickering gave his interpretation in statements to the press. I will quote him verbatim: The fact that Cuba has withdrawn the draft resolution is proof that they did not have enough votes to support it. End of quote.

Look how Mr. Pickering has falsified the truth. According to him, Cuba withdrew. Actually, Cuba proposed a postponement and it was accepted. Both the issue and the proposal have been postponed to the next session. This is a procedure that has been accepted at that international forum for the first time. The ambassador swaggers about, claiming that Cuba did not have enough votes. Sir, how could Cuba win votes after the most powerful nation on earth clearly and concisely warned that nations voting in Cuba's favor could damage their ties with the United States?

In spite of the intense pressure and blackmail exerted by the United States on the international community by warning those governments supporting Cuba in this debate would be subject to reprisals, we must ask Mr. Pickering if people in the United States will know how to interpret the vote of solidarity that Cuban Ambassador Ricardo Alarcon received when he ended his speech. He was given strong applause, virtually an ovation, and afterwards, more than 30 representatives came up to the table to congratulate him and express their genuine appreciation for his courage in confronting the superpower in such a devastating way. I cannot repeat those comments over these microphones out of respect for my listeners.

Mr. Pickering also added, and I quote him verbatim: Alarcon used the UN platform to tell pure lies. Alarcon's speech was full of lies. End of quote. Well, if that is true, why did the experienced diplomat not use his right to respond, as established in the UN Charter, right there, in situ, face-to-face with the Cuban ambassador? Was he afraid of being booed or [words indistinct]? It was only later that he said all this. But he did not respond there, at the assembly.

Also, with so little respect for the objectivity they advocate, some U.S. media have repeated the matter incosistently, and with marked ideologization, when they assert almost with one voice that Cuba was forced to withdraw. One publication, the CHRISTIAN SCIENCE MONITOR, had to acknowledge some truth amid the tangle of distorted reports. I will quote what that publication said: Cuba is winning sympathy in Latin America in spite of the fact that it failed to win support in the United Nations for condemning the trade embargo imposed by the United States.

I am not going to discuss the hypothesis of whether we lost or won. That will be interpreted by each person as he sees fit. But from an objective point of view, it seems to me that Cuba achieved, in the first place—and I insist on this idea—not a withdrawal, but having the issue included in the next UN agenda—not only the issue, but the draft resolution itself. I also think that Cuba succeeded in changing the very terms of the debate. Those in power in the United States were on the defensive the entire time, pressuring everyone to prevent even an analysis of the problem in the United Nations. It was obvious that U.S. diplomacy had to be expended on a worldwide scale, using tremendous intimidation to the full, given the fear of condemnation for the extraterritorial implementation of what the Americans have shamefully called an embargo.

Finally, the fundamental thing is that the issue of the embargo has not been exhausted. It is there, hanging as a universal condemnation that transcends the mass milieu, becoming an issue in parliaments, governmental and nongovernmental organizations, and a concern of heads of state in many countries. If they want to see the Pyrrhic victory they won in that skirmish as a withdrawal rather than an intelligent postponement, that is their problem. The truth is that many people in this world have begun to ask how long this irrationality can last. That can only be answered by those in power in the United States [words indistinct], who are trapped in their plans for a new order for humanity, and who are stubbornly implementing such a mistaken policy.

Venezuela's Perez Condemns U.S. Blockade

FL2111032691 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 21 Nov 91

[Text] Venezuelan President Carlos Andres Perez reiterated today his support for the full reinsertion of Cuba into the Latin American integration process. During a news conference at the conclusion of a three-day visit to Brazil, Perez defended the participation of Central American and Caribbean countries in the economic integration process. The Venezuelan president also condemned the prolonged U.S. economic and trade blockade against Cuba and said that only the Cuban people and government have the right to decide on their economic opening and democratic system.

Haiti

Report on Cedras Armed Forces Day Address

FL2011220191 Port-au-Prince Radio Nationale in Creole 1100 GMT 19 Nov 91

["Report" on a speech by General Raoul Cedras, commander in chief of the Armed Forces, on Haitian Armed Forces Day, in Port-au-Prince on 18 November—recorded; italicized passages French]

[Text] In addition to the provisional president of the country, General Raoul Cedras, commander in chief of the Haitian Armed Forces [FADH] also delivered a speech to the members of the Army. Here is what he essentially stated in his message. He asserted that the memories of our ancestors' achievements are brought back to life every 18 November. He said that it is time today for officers, warrant officers, and enlisted men to bow before these courageous men who shed their blood so there could be liberty, equality, and fraternity in Haiti. He continued: Today, it is with great pride that we remember these victories. In his message, Cedras said the commemoration of 18 November this year must be a time for reflection for all Haitians because the people are morally and physically suffering.

Gen. Cedras analyzed the situation in the country. He said there is unspeakable poverty. Gen. Cedras said that our peasants are working a land that does not yield. They await rains that rarely come. Shantytowns are springing up everywhere in our country. Our mountains have been deforested. They do not retain soil anymore and are eroding into the sea. Thus, the general is wondering whether we will have courage to lift our heads before these heroes to show them what we have done with this legacy they bestowed on us and which today has become an injured, divided, and torn nation.

At the conclusion of his message, Gen. Raoul Cedras urged all Army members to unite and form a solidarity chain as a sign of respect for the blood our ancestors shed for us in the Battle of Vertieres so that every branch of our society can remain united. Each institution in the country such as the Parliament, the churches, the judiciary branch, and the political parties, must wage a strong daily battle to attain this unity which is a guarantee for the development of democracy and the respect of Haiti. Let us listen to an excerpt of Gen. Cedras' speech.

[Begin Cedras recording] *...Haitian brothers to form a long solidarity chain to show respect for our ancestors' blood which was shed in Vertieres. United with each component of the society, each institution in the country including the Parliament, the Catholic and Protestant Churches, the judiciary branch, political parties, unions, and all the people's elected representatives, we must wage a strong daily battle to attain unity which is essential for the development of democracy, the integrity of our territory, and our survival.*

Officers, warrant officers, and enlisted men of the FADH: I urge you to remain, as you have been, united to the command for the greatness of our homeland. Happy anniversary.[end recording]

Haitians Forbidden To Leave With French Envoy

FL2011200291 Port-au-Prince Radio Galaxie in French 1100 GMT 20 Nov 91

[Text] The departure of French Ambassador Jean-Raphael Dufour from Haiti is another headline in the news. Dufour and his wife left Haiti yesterday afternoon. He was declared persona non grata in the country on 15 November and was given 48 hours to leave the country. This deadline expired on 17 November. The communique stipulated that his diplomatic status would not be acknowledged after this deadline. The diplomatic lounge at the airport was not open to Mr. and Mrs. Dufour yesterday afternoon. They left through normal channels.

They were accompanied by eight Haitian citizens who wanted to leave with Mr. Dufour. These people were forbidden from leaving Haiti. Four of them, who were at the Argentine Embassy, are: Jacques Aurelus, Fourel Celestin, Marino Etienne, and [former Captain] Dany Toussaint. A source close to the immigration service said these four citizens have the right to leave the country because the government has no charge against them. However, as Mr. Dufour had taken their passports from the Argentine Embassy, this action means they acknowledge they are exiles. The Argentine Embassy must ask the Haitian Government for their safe-conduct so they can leave the country.

These people who wanted to leave the country yesterday included the former finance minister of the lavalas [avalanche] government, Mrs. Marie Michelle Rey, who took refuge at the Canadian Embassy and Mrs. Rosela Mevs, who was former Prime Minister Rene Preval's private secretary. Mrs. Mevs, who is a Canadian citizen, did not leave the country because her residence permit had expired six months ago. These people, who went to the Port-au-Prince Airport, were accompanied by Mr. (Rebs), who is the acting charge d'affaires at the French Embassy in Haiti. These people did not leave the country. They left the airport in a French Embassy car headed for an unknown destination.

Military Denies Refusing Students' Release

FL2011223891 Port-au-Prince Radio Galaxie in French 1100 GMT 20 Nov 91

[Excerpt] The Military Department of the Metropolitan Area says it is surprised to learn that the daily LE NOUVELLISTE has reported, in an article published in its 34.182 issue dated 15-18 November, that an Anti-Gang and Investigation Service captain has reportedly refused to release the students that were arrested at the Faculty of Sciences on 12 November. The military department states this information is not true at all.

In order to enlighten the public, the Military Department of the Metropolitan Area wishes to advise everyone that even before the public prosecutor's appeal filed on 14 November, at the request of the Ministry of National Education, the police had freed 29 people who showed their student identification cards. There are 32 others who cannot show identification cards proving their student status. Among the people whom the police have kept in custody are those with felony charges such as drug trafficking, theft, and so on.

The Military Department of the Metropolitan Area urges all journalists to show professionalism and to contact, at any time, the public relations officer for whatever information they might need. [passage omitted]

Trinidad and Tobago

Country Prepares To Receive Haitian Refugees

FL2011184891 Bridgetown CANA in English 1649 GMT 20 Nov 91

[Text] Port-of-Spain, Trinidad, Nov 20, CANA - Trinidad and Tobago is preparing to accept refugees from strife-torn Haiti. The United Nations High Commission for Refugees is financing the temporary settlement of the refugees.

The EXPRESS newspaper quoted the UN's High Commissioner for Refugees Sadako Ogata as saying the organisation would assume full financial responsibility for the support of the refugees during their stay here.

Haitians have been fleeing their country since the September 30 coup which ousted President Jean-Bertrand Aristide. The U.S., facing hundreds of Haitian boat people seeking asylum, has asked Caribbean governments to help. The Trinidad and Tobago Government agreed to assist with temporary accommodation for 100 refugees. A statement from the U.S. Embassy here praised the decision.

"We appreciate the humanitarian position of Trinidad and Tobago to accept some of the boat people. We are in constant communication with officials of the government of Trinidad and Tobago and of the UN to expedite this process. We are, of course, very anxious to move these people to appropriate facilities," the Embassy Charged d'Affaires Charles Shapiro said. The UN resident coordinator, Charles Perry, said discussions were continuing on the duration of stay of the refugees.

"Then, too, there are other major considerations such as what type of people are coming. All men? All women? Or families?

There is also the matter of medical clearance, and another important consideration—the language barrier," the EXPRESS quoted him as saying.

Various Sectors, Government Sign Economic Pact

PA1511232991 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 11 Nov 91

[Text] The labor, peasant, business, and government sectors signed an agreement on 19 November. The agreement ratifies the Economic Growth and Stability Pact, the sixth phase of which will end on 31 January 1993. The pact's main goal is to substantially reduce the inflation rate in 1992 to allow for sustained economic growth and generate more jobs. Following are the main agreements and commitments included in the pact, which was made public:

1. The value added tax know as VAT is reduced from 20 and 15 percent to 10 percent, except in border areas and free zones. This VAT reduction has immediate effects on consumers when they pay for household goods and services, including: clothing, shoes, school supplies, and telephone services. The Office of the Federal Attorney for Consumers [Procuraduria Federal del Consumidor] and the National Consumer Institute will verify the enforcement of new prices and the VAT reduction.

2. The currency's daily sliding rate is reduced from 40 to 20 cents. This disposition is effective 11 November.

3. As an additional incentive to production activities, particularly to exporters and assembly plants, the currency exchange control is eliminated.

4. In the salary sector; the workers' minimum salary is increased by 12 percent as of 11 November and its enforcement will be ratified on 1 January 1992. This increase does not cover salaries under contracts. These salaries will continue to be agreed upon between the parties under the broadest terms.

5. Fuel prices are increased as follows:

Nova gasoline that costs 710 pesos will be increased to 1,100 pesos per liter while magna gasoline that costs 1,000 pesos will be increased to 1,250 pesos per liter. The difference of prices between thse two types of gasolines is 150 pesos. Gasoline price increases are to go into effect throughout the nation except for the northern border. The prices of fuel for industrial use at the northern border will continue being adjusted in accordance with the mechanism in force that links these prices to international rates.

Meanwhile, diesel prices will be increased to 620 pesos per liter, which translates into a 55 peso increase per liter. Cooking gas will cost 435 pesos, representing a 10 percent increase per kilo; that is from 425 to 435 pesos.

Regarding electric power, it was pointed out that for home use, electric power will be increased by 15.3 percent while for industrial use it will be increased by 14.5 percent.

The document also states that there will be moderate adjustments to other prices of goods and public service tarrifs that have not been modified or altered since the last concerted effort phase.

Meanwhile, the economic deregulation process will continue, the discipline in financial finances will prevail, and the reduction in inflation will be guaranteed.

The labor, peasant, and business sectors as well as the federal government reiterated their solid commitment to uphold and strengthen the agreement aimed at fostering stability and economic growth.

President Carlos Salinas de Gortari, upon signing the document as honorary witness of the economic pact's sixth phase, said that the agreement safeguards the goals that all the sectors had outlined since the beginning of his administration. On the one hand, these goals are meant to increase stability, while on the other hand, they are also meant to continue the sustained growth that was achieved during the three-year administration.

The agreement for stability and economic growth was signed by all the sectors. The following signed for the different sectors:

Labor sector: Labor Congress Chairman Ignacio Cuauhtemoc Paleta;
Peasant Sector: Maximiliano Silerio Esparza, secretary general of the National Peasant Confederation;
Business sector: Nicolas Madahuar Camara, president of the Business Coordinating Council.

President Salinas Signs 1992 Budget Draft

PA1911041891 Mexico City XHTV Television Network in Spanish 0200 GMT 16 Nov 91

[Passages within quotation marks are recorded]

[Text] President Carlos Salinas de Gortari has signed the 1992 budget draft. In the document, Salinas said that, at the beginning of his term, his economic policy to resolve local economic problems took into consideration the demands of the population and its refusal to accept a higher inflation, the need to improve the country's economic growth, and a commitment to advance through the joint effort of the society and the government.

Salinas said that the results that have been obtained have confirmed the effectiveness of the strategies adopted and also that in the next few years it will be necessary to intensify efforts to consolidate the progress attained and go forward toward the proposed goals. The president's document reaffirms the objective of reducing inflation to levels comparable to those of developed countries and to have achieved, at the end of the administration, a steady growth of approximately 6 percent annually.

The document establishes the following objectives for 1992:

1. Reduce inflation to a single-digit figure and keep pressing on to reduce it to levels similar to those of Mexico's leading commercial partners.
2. Continue the recovery through gradual economic growth.
3. Help to improve the population's standard of living by emphasizing education, rural development, and protection of the environment.

4. Continue modernization of the economy.

The views of President Salinas on economic policy for 1992 were presented at the Chamber of Deputies by Pedro Aspe, secretary for finance and public credit.

[Aspe] "By increasing public investment in strategic areas and continuing to apply the dynamics of private investment, it will be possible for the growth of the country's economy to exceed that of the population and to persevere through structural changes and efficiently incorporate the economy into the general flow of commerce. That is to say, in 1992 permanent macroeconomic progress will be consolidated by maintaining the growth scheme with greater price stability and a greater emphasis on social matters."

Aspe said that the GNP is expected to increase by close to 4 percent in 1992. He said that private investment, the rate of increase for which will be approximately 13 percent, will provide the main impetus for this increase.

[Aspe] "The public financial balance for next year will reflect a surplus equivalent to 0.8 percent of GNP. Considering the revenue to be derived from the pending privatization, the surplus will reach 3.1 percent of GNP. This, gentlemen, is a true landmark in the history of our country's public finances." Aspe said that, generally speaking, Mexico's non-oil exports will increase 13.5 percent and agricultural-livestock exports will increase 14 percent. He added that for the ninth consecutive year, external debt in 1991 will be less than that authorized by the Congress. He also said that, in relation to the GNP, the service of Mexico's foreign debt was less in 1991 than three years ago. A few years ago, we used to pay 17 percent of GNP as service on the debt. Presently this figure is only 5.7 percent.

[Aspe] "We even expect to have a financial surplus; therefore, not only will additional indebtedness not be required, but part of the debt will be amortized, the necessary authorization for which is hereby requested of the Chamber of Deputies to eventually contract for a net foreign loan of up to $2 billion."

Aspe said that he will continue the policy of President Salinas to more equitably distribute the fiscal burden by reducing tax rates and raising the minimum taxable salaries. Aspe summarized the measures proposed in the draft with the following points:

[Aspe]"1. We intend to cut by half the tax burden of taxpayers with income equal to five times the minimum salary, taking into consideration the effect of tax indexing on workers' salaries. This measure will particularly benefit workers in small- and medium-sized enterprises.
2. We intend to make worker participation in corporate profit-sharing tax-deductible, provided this does not exceed non-deductible expenses.
3. We intend to reduce the surcharge rate from 18 percent to 12 percent and allow it to be tax-deductible.
4. We intend to extend the due date for taxes to the 17th day of each month.
5. We intend to establish quarterly instead of monthly payments for those who offer personal and independent services.
6. We intend to increase the minimum amount required to submit a claim for a refund from 5 million to 30 million pesos.
7. We intend to eliminate the tax deduction for vehicles not directly involved in transporting goods or services.
8. We intend to limit the tax deduction for food and travel expenses abroad to 980,000 pesos per day.
9. We intend to limit the corporate deduction on cafeterias to the equivalent of minimum salary for one day, provided that each and every workers is allowed access to the cafeteria.
10. We intend to extend the term on fiscal credits that were determined and established when an enterprise is audited by the authorities."

Salinas on Funds To Improve Farming Sector

PA1811204191 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 15 Nov 91

[Passages within quotation marks are recorded]

[Text] The national program to revive the Mexican farming sector has been implemented. Funds have been earmarked at approximately 14 trillion pesos. We now have President Salinas de Gortari's words on this.

[Salinas, in progress] "...the state. I will recommend the assignment of over 9 trillion pesos in the 1992 budget proposal to strengthen the infrastructure, technology, credits, supply of raw materials, and marketing mechanisms that will ensure a significant boost for the farming sector and for the peasants' welfare."

That budget proposal for the farming sector represents a 20 percent increase and is five times larger than the increase that public spending will have across the board.

[Salinas] "In effect, we have set aside larger amounts of the budget, extended insurance coverage, and established more subsidies that will be assigned honestly and directly. We will also create a national fund for solidarity companies, and we will solve the problem of Banco Rural's expired portfolio. [applause] These have been the peasants' demands and the proposals of the farmers' leaders. The Mexican State is now fulfilling its commitments."

These are President Salinas de Gortari's proposals.

1. The Federal Government will subsidize 30 percent of insurance paid by the communal land owners. In this way, the insurance coverage increases from 60 to 90 percent to cover almost 2 million hectares as opposed to 900,000 covered this year.

2. The solidarity company funds—starting with 500 billion pesos—are created to fund farming and agro-industrial communities, as well as recreational areas and industrial [word indistinct].

3. The national solidarity program will assume the Rural Bank's expired portfolio and the credits to the farming sector will be increased.

4. The [word indistinct] education of the farmers will be fostered to assure that they will obtain just contracts in their working relations.

[Salinas] "To this government proposal will be added the support of the institutions for farm development through adequate institutional coordination and with full respect for the states' sovereignty and the municipalities' autonomy. These two levels of government will be invited to join this large production effort."

President Salinas also noted that the Secretariat of Agrarian Reform will not be eliminated. He issued instructions for the secretariat to draw up within 30 days its plan of action to combat the obstacles in the farming sector.

President Salinas set out the 10 points for liberty and justice in the Mexican farming sector, included in the Reform, Constitutional Article 27, sent to the Congress. In the document President Salinas notes that this reform protects the communal lands because it promotes to the constitutional level the communal and [word indistinct] lands and allows the peasant to be the subject of and not the object of the change. The reform also reinstates the small land owners, while avoiding a return to the large land owners; promotes the capitalization of the farming sector; and establishes a more efficient justice system to solve conflicts within the farming sector.

[Salinas] "Today the reactionary position is the attempt to bring back and freeze the mechanisms and ways of the past for the countryside. Those who propose this are unaware of the countryside's reality and are protecting interests that seek to reap benefits by controlling and manipulating peasants. They are taking advantage of the peasants' current limitations and are protecting cacique enclosures. The only reactionary thing is to propose that nothing be changed in the countryside and to say that everthing is untouchable. Myths are bringing poverty to rural areas today. Those who criticize change are actually proposing the maintainance of poverty and destitution for millions of peasants."

Exports to Cuba To Increase During 1992

PA1811140691 Mexico City XHTV Television Network in Spanish 0200 GMT 14 Nov 91

[Text] Mr. Roberto Sanchez de la Vara, president of Canacintra [National Association of the Processing Industry] announced that during 1992 exports from Mexico to Cuba could amount to $284 million. This would represent a $184 million increase, compared to 1991.

He also pointed out that Mexico's trade and investment relations with Cuba will not be an impediment to the signing of a definitive free trade pact with the United States and Canada.

In quoting Mexico's secretary of trade and commerce, Mr. de la Vara explained as follows:

[Begin recording] He said that our ongoing trade and investment relations with Cuba will not interfere with the free trade pact. We are in total agreement with Trade Secretary Jaime Serra Puche. It is my belief that, in theory, this should not represent any obstacle. [end recording]

According to Mr. Sanchez de la Vara, if the Banco de Comercio Exterior authorizes a $284 million line of credit to Cuba, then Mexico will investment in areas such as tourism, housing, construction, factories, food industries, and capital goods.

Four PRI Members Die in Ambush in Oaxaca

PA2011222191 Madrid EFE in Spanish 1607 GMT 18 Nov 91

[Text] Oaxaca, 18 November (EFE)—It was reported here on 18 November that four members of the ruling Institutional Revolutionary Party (PRI) died in an ambush in Oaxaca State. They were presumably attacked by members of the Movement for Triqui Unification and Struggle [Movimiento de Unificacion y Lucha Triqui—MULT].

The state police reported that the victims, who had been shot, were: Leonardo Sierra Martinez, Cirilo Sierra Cruz, Margarita Martinez Cruz, and Aurelio Cecilio Seria Lopez. Their bodies were left near the Tejon River.

The police reported that a similar incident took place several days ago when three Triqui Indians were shot and seriously wounded.

Embassy Denies URNG Uses Territory for Haven

PA1911171691 Mexico City NOTIMEX in Spanish 0201 GMT 19 Nov 91

[Text] Guatemala City, 18 Nov (NOTIMEX)—On 18 November, the Mexican Embassy in Guatemala denied military allegations that Guatemalan guerrillas use Mexican territory as a "bridge and haven."

Embassy spokesman Manuel Moran Rufino rejected statements to that effect made by Colonel Victor Augusto Vasquez Echevarria, commander of Military Zone No. 23 in El Peten.

Following a clash with rebels close to the Mexican border, Vasquez claimed on 16 November that the Guatemalan National Revolutionary Unity (URNG) uses Mexico as a haven.

Moran Rufino emphasized that his government has not and will not allow persons or groups to use Mexican territory to plan military activities against another country.

He added that the Mexican Embassy checked with all military zones and with the authorities of the Mexican states bordering Guatemala and they denied the existence of rebel groups in their respective territories.

El Salvador

Cristiani Rejects FMLN Joining Army, Police

PA2011141791 Paris AFP in Spanish 1703 GMT 18 Nov 91

[Text] Mexico City, 18 Nov (AFP)—The "main obstacle" in the peace talks is the fact that the Farabundo Marti National Liberation Front (FMLN) "wants to somehow remain an armed group, even after the conflict has ended." This was stated by Salvadoran President Alfredo Cristiani in an interview published by the Mexican newspaper EL SOL on 18 November.

This "is the most critical problem in the conflict because we see the FMLN strictly as a political group in the future. We see it as a disarmed party operating by the rules of the game like any other political party," he added.

According to Cristiani, the FMLN wants to have a fixed number of its members within the Armed Forces and the National Police. Cristiani said "that attitude is a result of the FMLN's belief that there are two armies in the country; that neither has defeated the other; and, that no one can ask for one of the two armies' unilateral disarmament." Cristiani emphasized: "The belief that there are two armies and that no one has been defeated is not true. That is unacceptable to us."

Furthermore, he added, "the FMLN is currently an armed political group, so it is totally contradictory for us to try to incorporate it into the National Police because we would create a politicized police force and would be favoring a group. This would open the doors to the rest of the political parties, which would demand their quota within the police."

"I do not think they should be allowed to remain as an armed group under any circumstances. In the government's case, what we have tried to do is simply incorporate these persons into the country's politics despite notoriously adverse feelings against them in the country," he stated.

According to the Salvadoran president, "the changes in the world and the collapse of communism have prompted the FMLN members to reconsider."

"Obviously, if they wish to adapt to new democratic ideologies, they will have to set aside their weapons. This would positively affect the process and give us a chance to reach a solution," he stated.

FMLN Said Not Complying With Cease-Fire

PA2111014291 San Salvador LA PRENSA GRAFICA in Spanish 19 Nov 91 p 2

[Text] "The leadership of the FMLN [Farabundo Marti National Liberation Front] does not control its cadres. That is why terrorist groups are not complying with the 'unilateral truce' the FMLN promised," a Coprefa [Armed Forces Press Committee] report issued on 18 November states.

In a 10-point communique, Coprefa reported five harassment attacks and various armed actions that have resulted in dead and wounded, even though in Mexico the FMLN stated that it had decided to establish a unilateral cease-fire, "bearing in mind the desire for peace of the Salvadoran people, who do not want war."

The communique adds that the theory of deep division within the FMLN has been proven, because some of its leaders are willing to end the violence through civilized means while other leaders are determined to continue with the strategy of armed struggle.

Coprefa stated that the harassment attacks and clashes on 16 and 17 November left four soldiers and two extremists dead and several wounded.

From 1300 to 1400 on 17 November, there were harassment attacks on positions in El Maguey Hill, Lomas El Nance, and La Escobilla, in the Las Vueltas Jurisdiction. There were no military casualties.

After this action, the attackers took refuge in a repatriation settlement in Las Vueltas.

At 1630 on 17 November, there was a harassment attack on the Trueno Battalion in Santa Anita, in the San Pedro Perulapan Jurisdiction. No casualties were reported.

FMLN Reportedly To Maintain Cease-Fire

PA2011170491 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 20 Nov 91

[Communique issued by the General Staff of the National Army for Democracy, END, in San Salvador on 19 November]

[Text] Communique by the National Army for Democracy [END]. Bulletin No. 1. We inform the international community and the nation of the following:

1. Less than 48 hours after a unilateral truce ordered by our General Command entered into effect, the Armed Forces escalated their offensive operations in areas under our control. We will now report on some of these operations:

A. At 1300 on 17 November, enemy troops stormed an END camp located in La Montanita, Concepcion Quezaltepeque Jurisidiction, Chalatenango Department. Our units repelled the enemy.

B. At 0700 on 17 November, Atlacatl Battalion soldiers began a massive offensive operation on END positions in Guazapa Hill. The enemy advance was accompanied by heavy artillery fire. Fierce fighting was reported during the Army incursion.

C. At 1200 on 17 November, a paratrooper squad and other units entered the general area of Tenancingo,

Cuscatlan Department, and engaged in combat with END units holding positions in that area.

2. The Armed Forces have engaged in acts of provocation against our units in other areas of the country.

3. Despite these provocations, we reiterate our willingness to maintain the suspension of our offensive operations.

[Signed] END General Staff
[Issued] 19 November 1991, El Salvador

Politicians, Officer React to Moakley Report

PA2011215091 San Salvador Canal Doce Television in Spanish 0300 GMT 20 Nov 91

[Passages within quotation marks are recorded]

[Text] The Democratic Convergence [CD] has pointed to the need to create a special commission in the National Assembly to determine if other people are involved in the Jesuit murder case. According to CD Deputy Juan Jose Martell, the charge levied in the U.S. congressional report against some officers in connection to this case is serious because an in-depth investigation was conducted. Martell stated that the seriousness of the report calls for an investigation, which is the official CD stance on the matter.

[Martell] "This matter must be investigated with all due impartiality, seriousness, and promptness that the case requires."

The U.S. Department of State indicated that the abovementioned report contains charges, but no direct evidence. On this matter, the CD deputy noted that the destruction of evidence makes it necessary to work with circumstantial evidence.

[Martell] "Just about all the evidence was destroyed. If the Military School's log had not been destroyed, we would find the proof that the murder was planned. We have no proof because the log was destroyed."

The CD supported the request by Jesuit Provincial Jose Maria Tojeira that the Legislative Assembly commission investigate everything related to the murder of the Jesuit priests.

The Christian Democratic Party [PDC] described the government stance on the Jesuits' murder as official conformism. Following the disclosure of the third report by a U.S. Congress commission, chaired by Joseph Moakley, PDC leader Jose Antonio Morales Ehrhlich said the government lacks interest in conducting an in-depth investigation on the case. He asked the government to issue precise orders to the Attorney General's Office to avoid greater pressure from the international community.

[Morales] "This pressure will have an impact on the amount of foreign cooperation and other assistance. I feel that the government has no interest in continuing to review this case. With growing pressure from abroad, it may be prodded to act, otherwise the government would put the whole thing to rest."

The PDC leader said that the government's repeated statement that available evidence should be presented in court only shows a lack of commitment to clear up this case. During an interview on the "Good Morning" program, Morales acknowledged, however, the work of President Alfredo Cristiani to reach a cease-fire.

[Morales] "It would be totally unfair not to recognize Cristiani's flexibility on these agreements. It is providential that a Nationalist Republican Alliance [Arena] government should be the one that signs a peace agreement. If PDC leader Fidel Chavez Mena had been the president, I doubt that it could have been achieved, because Arena would have launched such a big ad campaign, charging treason, subservience, you name it, that I think they would have destabilized the country, and perhaps we could have had a situation similar to Haiti's."

For this reason, Morales criticized small groups that are still opposed to a lasting peace. To conclude, Morales commenting on the energy crisis, stated that there is enough blame to go around since the director of the Lempa River Hydroelectric Executive Commission [CEL], as well as the president, are involved whenever prices are readjusted. He attributed the lack of explanation on the handling of CEL funds as the main cause for the energy crisis.

Colonel Hector Lobo, commander of the Salvadoran Air Force, said that the charges by the U.S. congressmen are meant to harm the Armed Forces. He felt that the Jesuit murder case was closed, and so was the period when new evidence can be introduced.

[Lobo] "Everything was analyzed based on our legislation. For reasons we cannot understand, there is an interest to harm the Armed Forces, considering the time the charges became known."

Lobo asked U.S. congressmen to present evidence to establish if their charges are credible.

[Lobo] "U.S. citizens have all sorts of scientific means to prove things like this. As I said, if they did not do this before, there is no reason to continue with this investigation. Our government asked that they submit evidence, and we are waiting for it."

The U.S. Congressional report mentioned the alleged involvement of General Rene Emilio Ponce, defense and national security minister, and other high-ranking officers in the Jesuits' murder in November 1989. When asked about rebel reports that the Armed Forces are continuing their military operations, despite the Farabundo Marti National Liberation Front truce, Lobo said his troops have not waged any counterinsurgency operations.

Commentary Praises U.S. Changes Toward Military

PA2011160691 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0000 GMT 19 Nov 91

[Station commentary: "Washington's Last Chance To Make Corrections"]

[Text] The report disclosing the names of the masterminds of the Jesuit massacre, the support of the truce, and Bernard Aronson's stated desire not to ever again make a mistake in El Salvador, reflects that the United States is determined to accelerate the negotiations and isolate the warmongers once and for all.

The fact that the Bush administration leaked to the press the names of the officers who planned the Jesuit massacre should not only be seen as a desire for justice, but as a signal to the Armed Forces to stop boycotting the negotiations. U.S. patience with the Salvadoran military is running out and it seems that the United States has recognized the tragic mistake of arming and supporting an Army it could not control.

This determination could be surmised from Bernard Aronson's statements that today the United States will not make the mistake it made in 1972, when it supported the military in the electoral fraud against Napoleon Duarte, an event that marked the start of the current armed conflict.

The negotiations have given the United States an opportunity to correct the mistake it made 20 years ago and separate itself from an Army that amassed great power with U.S. support. Today, following the collapse of the communist myth and the false arguments of national security, the FMLN's [Farabundo Marti National Liberation Front] supposed threat has also collapsed. Instead, Washington's current headache is how to get rid of a problem that they created—the Armed Forces.

The attitude assumed by congressmen and by the assistant secretary of state for Inter-American Affairs is praiseworthy and hopefully these are not just momentary statements. The FMLN will never be a threat to the United States because we believe in peaceful coexistence and mutual respect between two countries that need one another because they are on the same continent. The negotiations are in their final stage and this is the right moment to correct the past. This is why we invite the United States to board the train of negotiations with the same punctuality and determination it boarded the war train 20 years ago.

Commentary Notes Ponce Reaction to U.S. Report

PA2111031791 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 20 Nov 91

[Station commentary: "The Olympian Gods Stand Accused"]

[Text] A serious and exhaustive U.S. congressional commission investigation, chaired by Congressman Joseph Moakely, recently concluded that General Rene Emilo Ponce, defense and public security minister, and other top ranking military officers masterminded the massacre at Central American University. They plotted the crime at the Military School. The whole country expected the government to respond by promising to conduct a serious investigation.

The government, however, limited its response to issuing a communique, bereft of logical arguments, that described the U.S. congressman as irresponsible. Gen. Ponce adopted a cynical attitude, saying that Moakley's remarks constituted interference in Salvadoran affairs. The statement is rather odd, considering that Gen. Ponce never described the $5 billion the U.S. Government gave the Salvadoran Armed Forces to finance the war as meddling.

Now that some U.S. citizens want to amend the misguided U.S. policy, Gen. Ponce talks of meddling. It is within President Alfredo Cristiani's power to swiftly and clearly respond to the grave charges against the Salvadoran Armed Forces High Command before the Salvadoran people and the international community.

Guerrillas Report Army Operation in Morazan

PA2111013191 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 20 Nov 91

[Press bulletin issued by the 3d Military Region of the National Army for Democracy on 19 November in Morazan]

[Text] 1. Within the past fews hours the Belloso Battalion began an operation in our territories in Morazan. The action comes on the heels of other offensives launched by Military Detachments Nos. 3 and 4, the 3d Infantry Brigade, and the Arce Battalion in northeastern El Salvador.

2. The Belloso Battalion is advancing in Agua Blanca, El Zapotal, and Perquin. Our units have been dispersed and are on alert to face the offensives of the Armed Forces.

3. This new aggression follows others in various departments of the country and run counter to Cristiani's promise to act in accordance with the truce being observed by the National Army for Democracy.

4. These offensives in the territories of the Farabundo Marti National Liberation Front are taking place amid bitter contradictions within the Armed Forces where there have been charges made against top military leaders who committed acts of corruption that have involved millions and who are trying to cover for those involved in the Jesuit case.

5. Ultraright-wing sectors are focusing their efforts on breaking the truce and causing the negotiations to fail to extend the war, which is the only shield that these sectors have.

6. We urge all sectors of the country to mobilize and speak out, and to strengthen unity and isolate the minuscule ultraright-wing group that is trying to jeopardize the possibility of attaining a definitive end to the armed confrontation and democratization in El Salvador.

[Signed] Third Military Region of the National Army for Democracy.
[Issued] Morazan, 19 November 1991.

Report on 11-18 Nov FMLN-Army Clashes

PA2011043591

[Editorial Report] The following is a compilation of battle reports on fighting between Salvadoran Army troops and Farabundo Marti National Liberation Front [FMLN] guerrillas from 11 to 18 November.

(Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 11 November carries a seven-minute report on National Army for Democracy [END] units clashing with Military Detachment No. 3 and Treasury Police in Santa Rosa de Lima. According to the report, preliminary information indicates that "several casualties were inflicted on the Armed Forces and various war materiel was recovered." The same report adds that "five electricity posts and three transformers were sabotaged."

The Modesto Ramirez Front reports that at 0800 on 11 November END forces clashed with a Military Detachment No. 5 patrol in San Pedro Canton in San Vicente Department. No casualties were reported.

The station continues with a four-minute report on END forces clashing with Military Detachment No. 3 in La Union. According to the report, "five M16 rifles, one PRC67 radio, six knapsacks, three M18 U.S.-made mines, 17 repetition [word indistinct], and 1,500 rounds of assorted ammunition were seized." The report also adds that "10 casualties were inflicted on Military Detachment No. 3 and all were members of the Cobra Battalion."

San Salvador Radio Cadena YSKL in Spanish at 1200 GMT on 13 November carries a one-minute report on one civilian, one guerrilla, and three national police members injured during an FMLN attack on the Agricultural Development Bank in the town of Jucuapa in Usulutan Department. According to official sources, the FMLN attack "caused considerable damage to bank offices and other buildings."

Radio Venceremos at 0000 GMT on 13 November carries a 10-minute report on various guerrilla activities. A war bulletin issued by the END Command on 12 November in the 6th Military Region, Francisco Sanchez Southeastern Front in Usulutan Department lists actions carried out on 11 November to commemorate the second anniversary of the November 1989 offensive, including "the occupation and control of 90 percent of the city of Jucuapa for five hours." The bulletin says that "as a result of this action we inflicted 15 casualties on the enemy, including six dead, among them a corporal, and seized the following war materiel: two G-3 rifles, one 40-meter communications radio, three knapsacks, two military kits, 1,500 rounds of 7.62-mm ammunition, and other supplies." The report adds that END "reports the heroic fall in combat of Subsergeant Leonardo," and "as a result of the cross-fire, one member of the Green Cross was killed and another injured." The bulletin then mentions the occupation of roads and sabotage of power poles in various parts of San Miguel Department. Another action consisted of "clashes with troops of the Atonal Battalion in Jiquilisco, where enemy troops sustained four casualties."

The station then reports that "END clashed on 9 November with troops of Military Detachment No. 2 in Pena Blanca, Villa Victoria Jurisdiction, Cabanas Department, injuring one enemy." The report adds: "On the same day, END forces clashed with a company of the Salvadoran Air Force inflicting six casualties on the enemy troops, which were supported by four A-37 planes, two helicopters, and a push and pull aircraft." END reports "the heroic fall of comrade Chavelo in those clashes."

Finally, the station reports that "on 12 November END forces clashed with troops of the 3d Infantry Brigade who entered territory under our control in Ciudad Barrios, San Miguel Department," adding that "the enemy sustained three casualties and fled in disarray, while our forces reported no problems."

Radio Venceremos at 0000 GMT on 14 November carries five minutes of battle reports stating that "on 12 November END forces occupied a stretch of the coastal highway near San Francisco Javier and Jiquilisco." This was followed by "clashes with a company of the Infantes de Marina Battalion, which sustained eight casualties: two dead, including one subsergeant, and six wounded." The report adds that "one M60 machine gun with five cartridge belts, three M16 rifles, three military kits, and other war materiel was seized." Another report says that "on 12 November, END units clashed with members of the Morazan Battalion." The report adds that "the clashes, which began at 1800 and ended at 2000, resulted in five enemy casualties. A helicopter gunship arrived at 2200 and indiscriminately bombed the villages of El Triunfo and El Zungano, Guatajiagua Jurisdiction, which are densely populated areas."

(Clandestine) Radio Farabundo Marti in Spanish to El Salvador at 0000 GMT on 14 November carries a one-minute military report that "END reported 17 casualties and the capture of one soldier during activities carried out on 13 November in Cuscatlan and Morazan Departments." The report adds that "END inflicted eight enemy casualties on Infantes de Marina Battalion troops in San Francisco Javier turnoff, Usulutan Department, and nine casualties on the Morazan Battalion in El Volcan Canton, Morazan Department and on troops of

the 1st Infantry Brigade in Los Platanares and Los Girones, Suchitoto Jurisdiction." In addition, the report says "on 12 November the Atlacatl Battalion began a military operation in the area of San Francisco Aguilares, in the northern San Salvador Department and in Suchitoto, Cuscatlan Department."

Radio Venceremos at 0000 GMT on 15 November carries a four-minute report on various guerrilla activities, the most prominent among them being; "END units, in defending our territories, attacked positions of the mercenary Arce Battalion in Cerro Gigante, Perquin Jurisdiction. The attack was carried out on the morning of 14 November with RPG-7 and rifle fire. The Arce Battalion sustained two casualties as a result of this action."

The report also says that in another action "on 13 November, END forces clashed with two companies of the Libertad Battalion of the 1st Infantry Brigade in Suchitoto, Cuscatlan Department. The clashes began at 1000 and continued until 1300, during which we inflicted four casualties, including two seriously wounded troops."

Radio Venceremos at 0000 GMT on 16 November carries a one-minute war bulletin from Chalatenango Department that "at 0830 on 15 November END units clashed with troops of Military Detachment No. 1 in the vicinity of La Montanita, Concepcion Quezaltepeque, inflicting one casualty on the enemy troops, who fled in disarray." The report adds that "at 1845, our units dislodged a second enemy position in the vicinity of Penas del Norte, Quezaltepeque, inflicting seven casualties on the enemy, including one radio operator."

Radio Farabundo Marti at 0000 GMT on 16 November carries a one- minute report that" at 1115 on 15 November, END forces clashed with troops of Military Detachment No. 1, who entered the area of Guarjila in Chalatenango Department. The clash lasted one hour, during which the enemy sustained four casualties: one dead and three wounded. The invading troops fled in disarray toward Tepeyac Canton, carrying their casualties, while the END forces reported no problems."

Radio Venceremos at 0000 GMT on 18 November carries a four-minute report summarizing guerrilla activities for the past 15 days. The report says that "during the 15 days prior to the suspension of offensive actions and sabotage by the FMLN, attacks by the Armed Forces not only continued but were intensified. END had to defend its territory. As a result of END defensive actions, the Armed Forces sustained a total of 230 casualties, including two officers, six NCO's, and one POW. END seized 13 rifles, one M60 machine gun, five communication radios, 20 knapsacks, 12 military kits, more than 13,000 cartridges, and other military supplies. In addition, three Air Force helicopters and one tank were damaged and another tank was completely destroyed. Our forces also damaged the 4th Infantry Brigade's garrison in El Paraiso, Chalatenango. Regarding sabotage actions, 92 electricity posts were blown up and one substation, one bag factory, and three coffee processing plants were damaged. END sadly reports the heroic fall in combat of five comrades during the past 15 days."

The station announcer adds that "the FMLN has decided to suspend all offensive actions to create favorable conditions for the peace process. We hope this account of dead and wounded will be the last casualty report. It is up to the government and the Armed Forces to make this national desire a reality."

San Salvador LA PRENSA GRAFICA in Spanish on 18 November on page 19 publishes a 350-word report citing the Armed Forces Press Committee, Coprefa, on "military operations prior to 15 November." The report says that "two FMLN guerrillas were wounded during clashes with members of the Sierpe Battalion of Military Detachment No. 1 in Concepcion Quezaltepeque, Chalatenango, while the Army did not report any casualties." The report adds that "a soldier of the Belloso Battalion was wounded during a clash with the FMLN in Jocote Dulce Canton, Chinameca, San Miguel Department." Coprefa also reported the confiscation of the following weapons from the FMLN: 3,000 5.56-mm cartridges, 11 clips for M16 rifles, knapsacks, uniforms, and other military supplies during a combing operation in Quebrada El Salto, Guatajiagua, Morazan Department." The report concludes with the statement that "no FMLN actions were reported from 0000 on Saturday 16 November until the morning of 17 November."

Honduras

Callejas Urges Nicaragua To Suspend ICJ Case

PA2011151491 San Pedro Sula LA PRENSA in Spanish 19 Nov 91 p 5

[Text] Tegucigalpa—President Callejas on 18 November warned Nicaragua that to maintain the existing level of relations between the two nations, it is imperative for Nicaragua to suspend the complaint it has filed at the International Court of Justice [ICJ] against the Honduran Government. He said in advance that he will reject any conditions imposed by Violeta Chamorro's regime.

The president reminded Nicaragua's National Opposition Union regime that in January 1990 the Nicaraguan state, through President Daniel Ortega, signed a pledge with then Honduran President Jose Azcona that established that once the "contras" had withdrawn from El Paraiso and Olancho, the complaint would be immediately withdrawn. In July 1986 the Sandinists had filed the complaint against Honduras for allowing the rebels to use its territory to set up their camps and attack the neighboring Nicaraguan Army.

On 18 April 1990 the anti-Sandinists left their final camp in Yamales and since then President Callejas has

announced that he will not permit the return of any other armed group. "I fulfilled that agreement and Nicaragua has not; it seems to me that this is not the most appropriate way to handle relations between governments," President Callejas said in a forceful tone. "We will keep trying to persuade the Nicaraguan Government. It is imperative that in order for the extraordinary relations that exist between the two nations to continue, this situation must be resolved because Honduras has already done its part," he reiterated.

Asked if he will accept any conditions from Nicaragua in exchange for withdrawing the complaint at the ICJ, Callejas said: "Absolutely not; there is a clear and precise agreement, and I support the position adopted by then President Azcona. My government will not accept any conditions because this is an agreement and we will continue to insist that Nicaragua honors it."

Before leaving the government, Nicaragua's Legislative Chamber, which was dominated by the Sandinists, approved a bill sent by Daniel Ortega. The bill established that the complaint's withdrawal had to be approved by three fourths of the deputies.

President Chamorro has already asked congress to suspend the process but it has not yet been approved by a parliamentary majority.

More on Lawsuit Withdrawal

PA2011192391 San Pedro Sula LA PRENSA in Spanish 19 Nov 91 p 5

[Text] Tegucigalpa—Teofilo Marteli, first vice president of the Honduran National Congress, reported that the Nicaraguan National Assembly has conditioned the withdrawal of Nicaragua's lawsuit against Honduras. Nicaragua filed the suit at the International Court of Justice at The Hague in 1986.

Marteli headed a special commission which spent the weekend of 15-17 November at the Nicaraguan Assembly in Nicaragua in an attempt to hasten the withdrawal of the lawsuit.

Marteli said that during talks between Honduran and Nicaraguan legislators, the Nicaraguans added a new element to the negotiations. This condition demands that Honduras reject the territorial waters treaty signed between Honduras and Colombia during the Jose Simon Azcona administration.

The treaty, which defines the possession of Serranilla, Quita Sueno, and Roncadora Cays, has not yet been ratified by the Honduran Legislative Branch. This approval is an indispensable requirement for the implementation of the accord.

The congressman added that this demand "is not mentioned in the agreements signed by the Central American presidents at the Esquipulas, Guatemala; and Tela, Honduras summit meetings."

He pointed out that the presidential summit meetings only state that Honduras must implement a demobilization program for the Nicaraguan Resistance (or contras), while Nicaragua must agree to withdraw the lawsuit that the previous Sandinist government filed against Honduras at the International Court of Justice.

Marteli said that Honduras has fully complied with its part and it is now Nicaragua's turn to fulfill its part. "The treaty between Honduras and Colombia has nothing to do with the documents that were signed at the regional summits," he stated.

He argued that the withdrawal of the lawsuit against Honduras "is an act of justice, as Honduras has gladly received Nicaraguan immigrants since 1979 and even before that date, without asking about their political ideology."

He stated that during the conversations, the commission pointed out to the Nicaraguan legislators that Nicaragua has already withdrawn the lawsuits against Costa Rica and the United States and that only the lawsuit against Honduras is pending.

Marteli believes, however, that at least the group of Nicaraguan legislators who hosted the Honduran commission "are aware of the situation," but action has not yet been taken due to the existence of a law passed during the last days of the Sandinist government, which prohibits the Executive Branch from negotiating the withdrawal of the demand.

The first vice president of the congress said that Honduras must negotiate with the Nicaraguan National Assembly to reach an agreement, "but I believe that we will reach something positive for both sides, without conditions of any kind, which would overshadow the importance of the event."

Marteli noted that on 15 November, the same day the Honduran deputies arrived in Nicaragua, the secretary of the Nicaraguan National Assembly forwarded a draft decree by the executive branch—including the authorization needed to withdraw the lawsuit—to the Assembly Foreign Relations and Central American Integration Commissions. The commissions will now form the corresponding instruments as soon as possible.

Nicaraguan Envoy on Differences

PA2111031991 Tegucigalpa LA TRIBUNA in Spanish 20 Nov 91 p 9

[Text] Nicaraguan Ambassador to Honduras Noel Rivas said on 19 November that regional integration is being affected not only by the suit filed by his country, but also by the Maritime Delimitation Treaty signed by Honduras and Colombia.

Rivas confirmed that a delegation of Nicaraguan deputies will arrive in Tegucigalpa on 21 November to continue discussion on the issue. The diplomat stressed

a number of points that he considers similarities between the two issues, "one of them being the fact that they both block integration."

"It is general Nicaraguan opinion that the treaty between Honduras and Colombia hurts Nicaraguan interests on the Atlantic coast and that it is not a territorial conflict with Honduras, but simply a matter of sovereignty over the continental shelf," he explained.

Rivas also stated that "both issues have come up at a time of tension and differences between the two countries due to the internal situation in Nicaragua."

He also pointed out, as another similarity between the two issues, that "Nicaragua filed the suit on 26 July 1986 and on 2 August the delimitation treaty with Honduras was signed in Colombia."

Alluding to the agreement reached by Presidents Jose Azcona (Honduras) and Belisario Bethancourth (Colombia), Ambassador Rivas said that "at that time, Nicaragua was not taken into consideration due to the situation." He added: "It is not that we are trying to delay the suspension of the suit, but the delimitation treaty hurts Nicaragua."

Draft Proposal on Regional Integration Released

PA1911132691 Tegucigalpa LA TRIBUNA in Spanish 16 Nov 91 p 3

[All quotation marks as published]

[Text] Foreign Minister Mario Carias Zapata and consultant Roberto Herrera Caceras on 15 November released the draft "Charter of the Central American Isthmus Community" that the Honduran Government will present at the next presidential summit.

Carias Zapata said that in response to a mandate from the presidential summmit recently held in San Salvador, Honduras agreed to make an analysis of the Organization of Central American States "with an eye toward designing the most appropriate juridical and economic framework for Central America to adopt next year."

Although the task has "required a very great effort," including a review of the regional structures of the past and a restructuring of organizations, Carias Zapata said that the Honduran Government has been able to realize its objectives, taking into account the other states' ideas about "establishing a community as of 1992."

Herrera Caceres, a delegate to the Central American ad hoc group for reforming structures, said that "Honduras is offering this historic contribution based on its constitutional guidelines."

The decision made at the San Salvador summit established the bases for "the draft treaty that seeks the establishment of a modern and real integrationist organization that goes beyond the weak and disorderly cooperation of the past, thereby transcending systems that have already fulfilled their historical mission," Herrera said.

Herrera said that basically this community would be accessible to business, labor, academic, and other organized private sectors at the regional level "in line with the times, which require the active participation of the people in matters related to their destiny."

In order to have Central America integrated in all its economic, social, political, cultural, and legal aspects, the community would have as its top authority the Meeting of Presidents, under which there would be a ministerial level consisting of a Community Council, a high commissioner, a secretary general, and a body of permanent representatives of the states before the community."

Organizations that already have a charter, such as the Central American Bank of Economic Integration and the Central American Parliament, will not be altered. Instead, they will be strengthened by a greater commitment on the part of the presidents, Carias Zapata said. The foreign minister said the fact that Presidents Rafael Leonardo Callejas and Alfredo Cristiani commented on the proposal is a good sign of receptiveness."

Herrera Caceres said that the Commission to Review Agreements will analyze the draft on 19 and 20 December. The draft will then be "presented to a meeting of foreign ministers who, after reaching a consensus, will present it to the presidents. Then it will have to go through the appropriate legislative processes."

Nicaragua

Recontras, Recompas Sign Nonaggression Document

PA2111042991 Managua LA PRENSA in Spanish 19 Nov 91 pp 1, 12

[Report by Roger Suarez M.]

[Text] The recontras and the recompas signed a statement at the Tomatoya military base on 18 November. If the pledges contained in the statement are observed, they will make a substantial contribution toward putting an end to the continuous armed clashes in the northern part of the country.

The meeting, sponsored by the CIAV-OAS [International Commission for Support and Verification-Organization of America States], was attended by Mario Amador, government delegate in Matagalpa, and Capt. Jose Hernandez of the Sandinist People's Army's [EPS] 62d Infantry Brigade stationed in Jinotega, as observers.

In the statement, recontras and recompas agreed "to adhere unconditionally to the consolidation of the state

of law" in the country and the national reconciliation policy of President Violeta de Chamorro.

The recompas, who call themselves the Movement for the Revolutionary Self-Defense, MAR, and the staff members of the Democratic Front of National Salvation of the recontras reasserted "their commitment toward and participation in every initiative that leads to reduced social tension, depolitization, and the security of all Nicaraguans."

In the statement, the two groups that rearmed themselves in the northern part of the country say that they will fit their actions "to the framework of domestic and international law, addressing their demands according to cordial and fruitful dialogue with one another and between each of them and the government."

Recontras and recompas, who had clashed a few days ago, agreed "to establish both a nonaggression pact with one another and enclaves to lower the possibility of confusion and unrest."

The two groups urged the government to comply with both the agreements signed with the Nicaraguan Resistance when the demobilization occurred and the agreements signed with former EPS members and government employees.

The groups demand the removal of any officials who have committed misdeeds and the prosecution of those responsible for "attacks on and murders of Nicaraguan citizens for political motives."

The recontras and recompas agree to respect the physical and moral integrity of members of cooperatives and peasants in general and to cooperate with the authorities by turning in any fellow members or nonmembers who have violated the law. The groups asserted their willingness to cooperate with the commission in charge of disarming the civilian population.

The document was signed by recompa leaders Bronson, Charlie, Camilo, Miguel Angel, Fiera del Norte, Jesus, Johnny, Negrito, and Panama and by recontra leaders Culebra, Tigrillo, Campeon, Dimas, Bigote de Oro, Bolivar, and Jackson.

The document asked the government to create a joint police force comprised of members of the two groups.

Finally, the groups asked CIAV-OAS to continue to sponsor, coordinate, and mediate in the successive rounds of dialogue that might be required for the country's pacification.

The document was also signed by Mario Amador, government delegate in Matagalpa; Capt. Jose Hernandez of the Army brigade stationed in Jinotega; and Santiago Murray, coordinator general of CIAV.

Creating Conditions To Withdraw Lawsuit Denied

PA2111045291 Mexico City NOTIMEX in Spanish 0905 GMT 20 Nov 91

[Text] Managua, 20 Nov (NOTIMEX)—The Nicaraguan Government denied it is creating conditions for the withdrawal of a lawsuit against Honduras before the International Court of Justice [ICJ] in The Hague to prevent Honduras from signing an agreement with Colombia.

Government sources said, however, that the nonratification of the agreement between Honduras and Colombia "would be welcomed."

On 18 November Honduran President Rafael Leonardo Callejas accused the Nicaraguan Government of creating conditions for the withdrawal of the lawsuit so that Honduras will not ratify the maritime delimitation treaty with Colombia.

Nicaragua agreed in 1989 to withdraw the 1986 lawsuit presented to the ICJ against Honduras, provided the counterrevolutionaries abandoned their activities in Honduran territory, which is what originated the dispute.

Nicaraguan Foreign Minister Enrique Dreyfus said on 19 November that his government "is not demanding anything, because we believe that things should be done voluntarily. Not ratifying the treaty would be a welcomed gesture of reciprocity, however."

Dreyfus said that the treaty between Honduras and Colombia hurts Nicaragua's sovereignty and interests.

"Each has its viewpoint and knows where the shoe hurts. There is no cooling in relations. In any event, the important thing is that each speaks his position clearly, which favors negotiations," the diplomat said.

Godoy Comments on Budget Discussions

PA2111014691 Managua Radio Sandino in Spanish 1200 GMT 19 Nov 91

[Text] Nicaraguan Vice President Virgilio Godoy claims that the executive branch controls 95 percent of the budget for next year.

Godoy said on 18 November, during a seminar on constitutional reforms, that in the 1992 budget project President Violeta Chamorro sent to parliament, the executive branch has control of 95 percent of the state allotments.

The vice president without office criticized President Chamorro and Presidency Minister Antonio Lacayo, her son-in-law.

Godoy's statements regarding the national budget are related to the campaign started on 18 November by

several National Opposition Union deputies to prepare conditions to reduce the budgets of the Army and the Government Ministry.

Godoy said the executive branch only left 5 percent of the national budget for the Supreme Court, National Assembly, and Supreme Electoral Council.

Panama

Foreign Minister on Protection of Canal

PA2011120791 Panama City LA PRENSA in Spanish 19 Nov 91 p 28A

[Report by Manuel Alvarez Cedeno]

[Text] Foreign Minister Julio Linares stated on 18 November that Panama is incapable of defending the canal militarily. Therefore, the defense of the waterway must be based on respect for international rights and the country's neutrality policy.

In an 18 November interview, Linares commented on maneuvers conducted by the U.S. Armed Forces without the participation of their Panamanian counterparts. Linares said that "it would be naive to think that Panama can defend the canal from a military attack," when it reverts to the country in 2000.

According to the Torrijos-Carter Treaties signed in the United States in 1977, Panama must fully assume administration of the canal on 31 December 1999. At that time the U.S. Armed Forces stationed in the area will leave the country.

The Panamanian foreign minister said that the defense of the canal, once it reverts to Panamanian hands, must be based on neutrality so all ships may have equal access.

The Panamanian Army was destroyed by U.S. troops in the 1989 invasion. The Public Force was then created from the remnants of ousted General Manuel Antonio Noriega's Defense Forces.

Court Ruling Reportedly Demoralizes Policemen

PA2011133391 Panama City LA ESTRELLA DE PANAMA in Spanish 19 Nov 91 p 1

[Report by Doris Hubbard-Castillo]

[Text] National Police [PN] Director General Oswaldo Fernandez said on 18 November that the morale of more than 10,000 PN members has crumbled following a ruling issued by the Supreme Court of Justice. The court ruled that Corporal Juan Arauz' arrest was legal. In Fernandez' opinion, Arauz "did not kill someone intentionally."

Arauz has been under arrest since the death of a U.S. soldier around midnight on 4 November. The case is being investigated by the proper authorities and all kinds of opinions have been expressed on the case.

Fernandez added that he is not the one who should talk about the PN member's innocence or guilt. Nevertheless, he said "it is necessary to clarify that the court's ruling is not a final decision on whether Arauz is guilty or not, because it only deals with the legal issues surrounding his arrest."

Referring to the ruling, the PN national director said his organization will respect the Supreme Court of Justice's decision even if the PN internally supports Arauz and fulfills his family's needs, including the need for a defense lawyer at court.

Talking about the low morale currently prevailing among PN members, Fernandez said their commanding officers have clearly explained to them that the issue is not whether Arauz is innocent or not "and that the court's ruling was not adverse to the corporal."

"The court only ruled that the assistant district attorney was qualified to handle the case, and he had appropriately ordered an investigation of a crime."

Assembly Resolution Criticizes Attorney General

PA2111022991 Panama City LA ESTRELLA DE PANAMA in Spanish 20 Nov 91 pp 1-A, 2-A

[Article by Claudio Herrera Jimenez]

[Text] The government and opposition legislative wings agreed for the first time in the 23 months of the administration of President Guillermo Endara. This coincidence is expressly stated in a resolution: The attorney general has violated parliamentary immunity and the national Constitution.

This position was supported by legislators from the Arnulfist Party [PA], the Authentic Liberal Party [PLA], the Christian Democratic Party [PDC], the Molirena [Nationalist Liberal Republican Movement], and—with strong argumentative force—the Democratic Revolutionary Party [PRD].

The situation arose on 15 November, after Attorney General Rogelio Cruz ordered Legislator Elias Ariel Castillo "suspended" from his post. Castillo has been charged with "alleged crimes against the public administration and the Panama City Municipality."

The two-page resolution received the support of the party leaders at the assembly: Roberto Garibaldo for Molirena; Balbina Herrera (PRD), Arnulfo Escalona (PLA); Jose Domingo Torres (PDC); and Lucas Zarak (PA).

According to [PRD Legislator] Gerardo Gonzalez, Cruz' actions were "arbitrary." It was Castillo himself who asked the Comptroller General to carry out an investigation into the management of the funds at the mayor's office, during the term of former Mayor Gilma Noriega de Jurado.

Castillo has been in custody since January 1991.

Jose Domingo Torres, the PDC assembly coordinator, demanded the legislative immunity that protects Castillo, and pointed out that his party had already addressed this issue on 17 June 1990.

Arnulfo Escalona, a lawyer and member of the PL, said that the Supreme Court of Justice has not decided whether or not to bring Castillo to trial.

"The Court cannot do it," Escalona said, referring to the alleged competence of the court to try Castillo.

The resolution explicitly says:

Resolution Number [number not published]

of [date not published] November 1991.

The Legislative Assembly, by virtue of the authority invested in it by the Constitution and the Law,

Whereas:

The attorney general has informed the president of the Legislative Assembly that, by an order issued on 15 November 1991, the office under his direction decreed that Legislator Elias Ariel Castillo Gonzalez be suspended from the post he occupies. He has been charged with alleged crimes against the public administration and the Panama City Municipality.

This action by the prosecutor general constitutes a serious violation of the parliamentary rights of the legislator in particular, and the independent functions of the Legislative Assembly in general.

Castillo is a member of the Legislative Assembly, elected by the people. For this reason, the Constitution and the law have conferred him with special privileges.

According to Paragraph 2 of Article 154 of the Constitution, it is up to the Legislative Assembly to authorize the prosecution of any one legislator, and the Supreme Court of Justice is the proper court to conduct legal proceedings against him and order him removed from his position, if necessary.

The action by the attorney general represents an attack on the historical and juridical nature of the parliamentary immunity concept and the independence of the Legislative Assembly.

Therefore, the Legislative Assembly has decided:

1. To condemn vigorously the unconstitutional and anti-historic stand by the attorney general.

2. To warn the attorney general and the Supreme Court of Justice that the Legislative Assembly will defend the principle of parliamentary immunity and the independence of the Legislative Assembly in accordance with the constitutional and legal provisions in force.

3. To stay in a state of alert regarding any decision that might undermine the principles on which the parliamentary institution is based.

4. To send a copy of this resolution to the attorney general, the Supreme Court of Justice, and the media.

This resolution is to be made known and published.

The resolution was proposed by the Legislative Assembly today, [date not published] of November 1991.

Peruvian Envoy Regrets Escape of Sucre, Gonzalez

PA1911223691 Panama City EL SIGLO in Spanish 19 Nov 91 p 17

[Report by Jose Gonzalez Batista]

[Excerpts] Guillermo Cornejo, Peru's ambassador to Panama, has described the escape of former military men Gonzalo Gonzalez and Heraclides Sucre, who were granted asylum in Peru, as "a matter that to a certain extent got out of the control of the Peruvian Government and has unfortunately caused the justified annoyance of Panamanian authorities."

According to Cornejo, the Peruvian Government deeply regrets the escape of Gonzalez and Sucre and is trying to find ways to meet the demands of Panamanian officials. [passage omitted]

The diplomat noted that "it is not very easy for the Peruvian Government to say when the asylum seekers fled, but it is doing everything possible to find them."

He noted that the Peruvian Government unfortunately does not know the whereabouts of the former military men since it lost contact with them, although when they accepted diplomatic asylum "they agreed as gentlemen" to remain under Peruvian protection. The envoy added that "Peru cannot provide enough protection now because it must cope with economic problems, violence, terrorism, and other situations. [no end quotation mark as published] "By the time we realized this, they had already escaped. This development has also annoyed the Peruvian Government, and it no longer considers them protected by diplomatic asylum."

Commenting on remarks by President Guillermo Endara, who said that intelligence reports indicate that Sucre is being sheltered in Peru, Cornejo noted that neither the Peruvian Government nor the Armed Forces can in any way shelter a fugitive from justice, "so there is nothing hidden in Peru." [passage omitted]

Attorney General Says ILO Agreements Violated

PA2011155691 Panama City LA ESTRELLA DE PANAMA in Spanish 19 Nov 91 p1

[All quotation marks as published]

[Text] Attorney General Rogelio Cruz has announced that Panama is violating two International Labor Office

(ILO) agreements by using Law 25 of December 1990 to dismiss approximately 500 union leaders from the public sector.

In a letter sent to Legislator Benjamin Rosas, president of the National Assembly's Labor Commission, Cruz stated that no state employee participated in the alleged coup d'etat attempt "against President Guillermo Endara's government by a group of military officers in December 1990.

Cruz' letter, which was submitted to this newspaper by union leader Isaac Rodriguez, stated that the workers are requesting their reinstatement and the Legislative Assembly's approval of Law 62. Liberal Party Legislator Melquiades Riega had presented this law to the assembly. Rodriquez, former secretary general of the Institute of Hydraulic Resources and Electrification's union, announced: "We will continue to engage in legal and peaceful actions until we manage to get Law 25 abolished."

Cruz warned that the violation of ILO Agreements 87 and 98 results in the violation of international regulations, which are recognized by Panama and which override the National Constitution.

Japan Says Legislative Assembly Delaying Aid

PA2011195491 Panama City EL PANAMA AMERICA in Spanish 19 Nov 91 p 1

[Report by Jose Ivan Ramos]

[Text] Yoji Sugiyama, the Japanese Ambassador to Panama, told this newspaper that sluggishness in approving laws to implement the economic plan and other domestic procedures are delaying Japanese economic assistance to Panama.

"Panama must expedite its decisionmaking in the Legislative Assembly as soon as possible," Sugiyama stated. He added: "I think the International Financial Institutions (IFIS) and Japan—a participating country in efforts to assist Panama—are ready to offer financing assistance."

Sugiyama also stated: "Japan, as well as its people, wish to intensify programs to transfer technology to Panama. However, good relations must exist between the two sides". He added: "I urge all Panamanian Government officials to get ready for this transfer of technology."

Sugiyama said that Japan—a member of the Support Group—believes it is necessary to develop projects with Panama in telecommunications, travel, and other technological areas. Sugiyama played down the importance of recent differences between his office and Panama's Ministry of Planning and Economic Policy.

Argentina

President Menem Returns From U.S. Tour

PY2011172691 Buenos Aires TELAM in Spanish 1500 GMT 20 Nov 91

[Text] Buenos Aires, 20 Nov (TELAM)—President Carlos Menem arrived at 1445 at Ezeiza International Airport from the city of Miami, the last leg of a seven-day visit to the United States.

During his trip to the United States, Menem met with U.S. President George Bush. He also spoke to the U.S. Congress, which is unusual for a visiting head of state.

During his stay, Menem also met with the presidents of the IMF, the World Bank, and the IDB.

Interior Minister Denies Intel Office Phone Taps

PY2011223891 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1650 GMT 20 Nov 91

[Excerpt] Buenos Aires, 20 Nov (NA)—Interior Minister Jose Luis Manzano has said that the State Intelligence Secretariat (SIDE) "does not tap phones," and that SIDE assures that the phones were tapped by "former intelligence agents, who worked for the last military dictatorship."

[Buenos Aires BUENOS AIRES HERALD in English on 19 November in its "Argentina in Brief" column on page 15 carries an NA report stating that "journalist Bernardo Neustadt publicly denounced yesterday the tapping of his telephone lines, which he called an 'abuse of authority.'"]

The minister revealed that "cassettes containing tapped telephone conversations are being sold, and the sales are very profitable." He regretted that the investigation of charges made by journalist Bernardo Neustadt "resulted in nothing concrete." He added: "To find the culprits would be as hard as hunting pigeons by banging pot lids together."

In an exclusive interview with a Buenos Aires newspaper, Manzano admitted that "the phones" of the government offices "have been cleaned." He added, however, that the culprits cannot be identified because "they tap the phones and, as soon as the tapping is discovered, they take away the taps until the storm is over."

Manzano said he believed the SIDE people when they told him they are not responsible for the tapping. "They swore that the SIDE does not tap phones," he said. He asserted that [words indistinct] of a telephone that had been tapped when businessman Mauricio Macri was kidnapped.

Referring to tapping of government office phones, he said the "taps were removed three weeks ago, and we are now installing phones at the ministers' offices that cannot be tapped."

Manzano explained that in a "tapped" phone, the call "is made through a copper wire and that the tension in the line decreases." [passage omitted]

* UIA Meeting Airs Regional Economic Concerns

92SM0070A Buenos Aires CLARIN in Spanish 26 Oct 91 p 14

[Text]

The Time Has Come To Consider Industries in the Interior

There is uneasiness in the regional economies. Energy costs and the failure to deregulate labor have been compounded by the deterioration of roads and railways. Another concern: merchandise from the Iquique zone, which is said to be underinvoiced. Cost cutting, a principle implicit in the convertibility program, has major limitations in the interior. Energy and transportation are two problems that have not yet been resolved. Privatizations are offering more questions than answers, especially as far as future rates are concerned.

Businessmen in the interior are worried. They said so yesterday at a summit meeting, organized by the Argentine Industrial Union (UIA), at which uneasiness was expressed over Minister Domingo Cavallo's latest statements criticizing industry.

They are calling for more than just cuts in manufacturing costs to make production compatible with the convertibility plan. They are also talking about serious regional problems, and the northern provinces are alarmed by the underinvoiced imports that are coming through the Iquique zone.

The industrialists are complaining about the cost of energy and labor. They contend that the regional economies are being isolated by the shocking deterioration of roads and railways. They are protesting the regulations that harm certain industries, such as sugar and tobacco.

Much of the meeting was devoted to the drawbacks of high financing costs. The opinion is widespread that in spite of official announcements the provincial banks will continue charging businessmen between six and eight percent a month for overdrafts.

The meeting was held yesterday in San Miguel de Tucuman. There was a stark contrast between the population's high hopes about Ramon "Palito" Ortega as their new governor and the mounting poverty, stemming from an unemployment rate of 25 percent in the work force.

The gathering took place at the headquarters of the Industrial Union of Tucuman, and the deliberations were coordinated by two leaders of the national manufacturers union. The work was apportioned among five task forces by the UIA's secretary, Manuel Herrera, and the head of the union's Regional Economies Department, mate grower Adolfo Navajas Artaza.

One of the busiest task forces was infrastructure. The businessmen on it cautioned that the condition of roads in the country's interior was "disastrous" and that there is a virtual "disappearance of routes" that is preventing goods from being marketed between the northeast and northwest.

They also emphasized that the railways are providing such terribly poor service that freight charges are rising exponentially. They reported that some trains can reach a speed of only 2 km an hour and that the freight train between Jujuy and Buenos Aires has an average speed of 20 km an hour.

Another concern, as is among Buenos Aires industrialists, is the high cost of energy and the lack of a regulatory framework that would ensure an international rate to decide on the electric-power privatizations. The task force on regional economies (sugar, tobacco, and mate) was also busy. The head of the Argentine Sugar Center, Jorge Zorreguieta, spoke out against irregularities in the setting of production quotas by the National Sugar Directorate.

Zorreguieta demanded that the UIA back up his group's request to halt the Sugar Directorate's high-handed actions. The proposal to deregulate the domestic sugar market by repealing laws setting production quotas obtained a consensus.

Zorreguieta called for a specific duty on sugar imports, in light of the customary international dumping of the item.

The problem of unfair foreign competition was mentioned by all of the industrialists from the interior. The number-one concern of businessmen in the northwest is the massive influx of products at rock-bottom prices from Chile's customs-free area at Iquique.

The businessmen contend that most of the merchandise entering the country through that customs house is subject to very little control and is priced absurdly low. The leaders of the national UIA share this concern, as most of the imports wind up in Buenos Aires shops.

The cost of money in the interior is another concern, as it is more expensive than in the capital. There have been many official announcements to date, but little action.

There were specific, detailed complaints about regular banking practices. The only credit available is in the form of overdrafts on checking accounts, for which the banks charge an average of 5 to 8 percent.

* Cavallo Moves To Control Privatizations

92SM0070B Buenos Aires CLARIN in Spanish
24 Oct 91 pp 4-5

[Text]

Privatizations: Cavallo Controls Sale of Public Enterprises

The economy minister took advantage of the president's urgent push for privatizations to take full control of the matter. It was learned yesterday that the undersecretary in this area, Jorge Correa, resigned before assuming the post. Cavallo replaced him with one of his confidants, Juan Carlos Sanchez Arnaud. He also gave his team instructions to move up the deadlines as much as possible. The information for bidders will include the model contract that purchasers of state-run enterprises will have to sign.

The members of the economic team were treated harshly yesterday by their boss. In forceful language and accepting no excuses, Domingo Cavallo ordered them to speed up the privatizations to the maximum and said he would hold them responsible for any future delays in selling off government assets.

Although he did not say so explicitly, the idea that he left behind was: any official who delays the privatizations will have to leave the Finance Palace.

Cavallo's tough intransigence towards his aides has claimed its first political victim. Yesterday evening, some hours after the meeting, it was learned that Jorge Correa was turning down the post of privatization undersecretary, to which he had been appointed last week within the sphere of the brand new Secretariat of Economic Programming, which is run by Juan Jose Llach.

Cavallo replaced him with a trusted colleague, Ambassador Juan Carlos Sanchez Arnaud, who had previously taken the place of Rafael Iniesta in the foreign-debt negotiations.

Sanchez Arnaud had been proposed before as a member of the Finance Secretariat team, but its head, Ricardo Gutierrez, rejected him, and he thus began serving in the Economy Secretariat.

Correa, the husband of Senator Liliana Gurdulich, the chairwoman of the Bicameral Privatization Follow-Up Committee, was appointed as a result of negotiations between Cavallo and Interior Minister Jose Luis Manzano. But the decision did not enjoy a political consensus, nor was it well received in the rest of the administration. Cavallo himself reportedly acknowledged that in the longer term his decision could encourage the arrival of other, better known privatizers who are, however, in the files of some Casa Rosada offices, such as Roberto Dromi, Raul Otero, or Jorge Pereyra de Olazabal himself.

In other words, the man in charge of the economy chose to use Menem's own criticism of the slow pace of privatization as an argument for unifying the handling of the matter and thus securing absolute control over future sales, which will involve crucial enterprises such as the

electric-power companies, State Gas, and Sanitary Works, sales whose terms (especially rates) could jeopardize the plan's future.

Cavallo acknowledged the warnings to his own team in the official communique released by the Economy Ministry. In the brief note he used unusual language such as "...I am advising the responsible officials that the mechanisms of privatization are to be carried out inexorably within the established time periods and are not to be halted or delayed by challenges from the participants in the competitive biddings."

Although the minister's admonitions to his aides were general in nature (and are customary at such meetings), they were presumably directed in particular to the people in charge of the matter: Deputy Minister Carlos Sanchez, Energy Secretary Carlos Bastos, and Transportation Undersecretary Edmundo Soria.

Sanchez made a case for himself at the meeting by reporting on the privatization timetable, asserting that "the indicated deadlines are being observed."

Bastos also defended himself. According to the official communique, he stated that "the bidding conditions for the sale of SEGBA [Greater Buenos Aires Electrical Services] will be completed this December."

Cavallo thus transferred to his own team the pressure that the nation's president, Carlos Menem, has put on him. In so doing, he endorsed, as an outward sign, the president's concern about the privatizations, but on the other hand he has consolidated his control over the matter by taking it away from other areas of the administration.

In the eyes of the Casa Rosada, the deadlines that the Finance Palace is working with necessitate an extension of the sales of assets into 1993, as can be gathered from the revenues from privatizations that are included in next year's budget. Menem would like everything to be transferred in 1992 so that there are no conflicts during the election campaign anticipated within two years.

In this setting, the minister, who may travel to New York next week to talk with creditor banks after receiving an IMF mission, decided to make two major decisions to optimize the timing:

- The bidding conditions will be accompanied by the contract that the groups who may be purchasing government assets will have to sign. This move is designed to prevent a subsequent lengthy and cumbersome negotiation, as happened in the case of the National Telecommunications Enterprise and Argentine Airlines.
- The interested parties must include all supporting documentation in their first envelope of bids. The idea is to prevent the process of collecting background information on the bidders from being as slow as in previous cases.

Both decisions are acknowledged in the communique itself when it cautions the officials and says that Cavallo recommended "the adoption of bidding procedures that will enable the bidders to enhance their offers right up until the time that the envelopes are opened."

Cavallo was not angry just at his officials. He again spoke ill of industrialists, bankers, newsmen, and lobbyists (see page 7) [not reproduced] and even remarked that he had called Juan Alemann to refute a recent article in which the former finance secretary under Martinez de Hoz criticized the slow process of privatizations.

Military Industries Board President Resigns

PY2011232691 Buenos Aires TELAM in Spanish 2016 GMT 18 Nov 91

[Summary] Buenos Aires, 18 Nov (TELAM)—Defense Minister Antonio Erman Gonzalez today accepted the resignation of Colonel Manuel Cornejo Torino as Executive Board president of military industries. Jorge Pereyra, planning under secretary of the Defense Ministry, was appointed interventor of military industries.

Bolivia

DEA Agents Called 'Mercenaries' in El Beni

PY2011143291 La Paz PRESENCIA in Spanish 15 Nov 91 p 5

[Text] The report released by the Association of El Beni Civilian Pilots on the abuses committed by DEA agents and the absolute lack of constitutional guarantees prompted angry reaction yesterday in La Paz from El Beni congressmen who called those U.S. agents "paid mercenaries."

The Chamber of Deputies has decided to create an interparliamentary commission that will travel to Trinidad today to investigate the accusations.

Law 1008 (which rules on the production of coca and other controlled drugs) has again been questioned because it is considered unconstitutional and draconian, and because it violates at least 40 articles of the Constitution.

Senator Guillermo Aponte Burela (MNR) [Nationalist Revolutionary Movement], chairman of the Human Rights Commission, said that it is impossible to endure the abuses committed by the U.S. DEA agents, who are not members of the U.S. Armed Forces nor of the police, but who are "mercenaries who come to Bolivia to commit abuses."

Aponte Burela added that when Bolivian justice is implemented over these abuses, the agents hide behind their diplomatic immunity. "We are diplomats, and Bolivian justice has no authority over us," they claim.

According to agreements signed between Bolivia and the United States, these antidrug agents enjoy diplomatic immunity.

Aponte Burela called their actions "iniquitous," adding that the implementation of Law 1008 is also iniquitous because it is unconstitutional from beginning to end. "It cannot be enforced by these DEA mercenaries because it violates our Constitution."

The congressman from El Beni also accused the antidrug agents of looting houses when antidrug operations are carried out. He reaffirmed previous remarks on the ineffectiveness of narcotests on seized airplanes. "The narcotest should be used on the pockets of the DEA agents because I am sure it will prove positive there."

He added that they want to implement a "scorched earth" policy in El Beni as they did in Chapare where they bombed the highways, leaving that region without communications.

The only means of communications we have in El Beni are the air taxis (some 80 of them) and the DEA agents want to totally eliminate that means of communication because they are seizing all air taxis and sending the people to jail. He said that the DEA agents must be expelled from the country and replaced with technicians who will cooperate in the antidrug fight, adding that "the dregs" of the DEA in Bolivia today must be sent away.

Deputy Guillermo Richter (MNR) said that air transport is essential in El Beni. He said that the antidrug force have seized more than 40 planes which, due to adverse weather conditions, are awaiting the narcotest which is an "arbitrary" procedure.

He regretted the fact that DEA agents are making decisions above those of the national government. "I would like to point out that many of the guidelines issued by that good man, the interior minister, who tried to rectify the situation, have not been fulfilled because they (the agents) do not respect those guidelines."

He said that Law 1008 is extremely "draconian" and disregards the state of law, it is unconstitutional because it is above the Constitution, and what is worse, it has lead to 100,000 abuses, and not even congressional immunity is respected. He added that a great national debate must be promoted on Law 1008 and in accordance with the trends which he believes are desired by the majority, seeking to adopt some reforms.

Richter said he agrees with the fight against drug trafficking, but added that the fight must be carried out within a legal framework that respects the dignity of man.

Deputy Julio Valenzuela explained that Law 1008 provokes corruption by giving discretional powers to subordinate personnel.

He said that those personnel do not obey the instructions of the interior minister and that they even go to the extremes of changing the registration number of the seized airplanes.

"I have evidence that these people have been seeking backhanders, through third parties, for the release of these planes. This is the corruption that results from law 1008," Valenzuela said.

He regretted the fact that a climate contrary to democracy has been created in the country, because no one can touch the drug trafficking issue under the risk of being considered a defender of drug traffickers or, ultimately, interested in drug trafficking.

He said: "This has caused terror both inside and outside the Chamber of Deputies. There are congressmen who tremble when these issues are discussed because they believe that their image, their prestige, may be tarnished just because they discuss some issue that may be involved in drug trafficking. The DEA, Umopar [Rural Area Police Patrol Unit] Law 1008, the Special Antidrug Force, etc., undermine our capacity to oversee and to defend all the defenseless citizens who are falsely accused." He added that Law 1008 must be changed and that national congressmen must be courageous in fulfilling the spirit of the Constitution.

Coca Farmer Asks U.S. Envoy To Visit Chapare

PY2011124491 La Paz PRESENCIA in Spanish
15 Nov 91 Section 2 p 1

[Text] Cochabamba, 14 Nov (PRESENCIA)—Evo Morales, the main leader of the Chapare Federation of Coca Farmers [Federacion de Productores del Chapare], today said: "We want to publicly invite the U.S. ambassador to come to the Chapare region, carrying a machete, to face our reality."

Morales said that the peasants have the impression that "it is the strategy of the U.S. mission in Bolivia to create an atmosphere of separation and conflict between the Cochabamba region and the government of Paz Zamora" so that the problems stemming from the forcible eradication of coca plantations and from the lack of effectiveness of alternative development programs will remain unsolved.

Noting that the coca problem is a regional affair and should not cause confrontation between Cochabamba and the government, Morales said: "Some remarks made by the U.S. diplomat lead one to believe that the country is being governed from the U.S. Embassy, not from the government palace."

Morales described the ambassador's position as "demagogic and arrogant," adding that it lacked "seriousness when he said that one could enter the region carrying a machete to implement a forcible eradication of coca crops. [no closing quotation marks as published] He

added: "We invite him to fulfill his desire. We are sure he will find his match there."

Morales said that forcible eradication is one thing and voluntary reduction is something entirely different. He said many producers have agreed to a voluntary reduction in light of the promise of alternate development programs. But these programs are not materializing, as government officials themselves have conceded, even though Ambassador Richard Bowers "insists that alternative development programs are under way."

Morales said that there is deep concern among hundreds of coca growers who believed in the advantages of the agricultural loans granted under the PL-480 Program, which is managed by the U.S. AID program, and local and foreign organizations. These borrowers are concerned because the first notices of charges are being delivered and foreclosures are being processed, thus violating the initial agreement.

According to the peasants and workers who received these loans, which averaged $7,000 to $8,000 each, the initial terms are not being complied with. These terms were: a five-year grace period, no interest payments, let alone the payment of the principal. [as published]

Morales said that many of these borrowers are abandoning their crops and leaving the Chapare region in the face of the pressure exerted on them to repay their loans by the officials charged with managing the PL-480 Program and also because of the lack of export markets for the products.

Morales added: "Thus, to avoid jail they choose to escape. These measures are not fair for our fellow workers who have experienced the failure of their new crops of alternate products, which cannot match the income they obtain from coca leaf growing. Therefore, growing coca leaf is once again a question of life or death for them."

Morales said that they are going to appeal to the government ministers who should come to this city to talk with members of the Civic Committee, seeking a favorable solution for the PL-480 borrowers by writing off interest payments and rescheduling the repayment of the principal.

Regarding the proposal to eradicate 7,000 hectares of coca crops, Morales that this "will be impossible" as alternative development projects have failed in the Chapare because the funds earmarked for these specific projects have been invested in projects in other regions.

Morales said: "If a peasant cannot be guaranteed a similar income to what he would get by growing coca, he will defend with his life the only source he has to support himself and his family." Morales expects to attend the meetings between Paz Zamora's ministers and members of the Cochabamba Civic Committee.

Among the many proposals made recently, Morales said, the coca regionalization program is favorable to Cochabamba.

He added that coca must become the economic mainstay of Cochabamba, like oil royalties in Santa Cruz, and minerals in Oruro.

Vice President on Coca Eradication Goal

PY2011162291 La Paz PRESENCIA in Spanish 13 Nov 91 p 5

[Text] Vice President Luis Ossio yesterday warned that "it will be very difficult" for the Bolivian Government to eradicate the 7,000 hectares of coca plantations that it promised its U.S. counterpart because it does not have the means to do it.

Ossio held a long conversation with reporters from this newspaper. He said that the commitment to eradicate coca plantations in exchange for three packages of $22 million to support the balance of payment "is an obligation," but the commitment "cannot force Bolivia to act 'contrary to nature.'"

These remarks come at a time when the U.S. Embassy in La Paz recalled that Bolivia's failure to fulfill its commitment would prevent the disbursement of the last package of $22 million on 31 December.

He said: "That is precisely our objection. We will be prevented from reaching our eradication goal because we do not have the money for it," and urged the U.S. Government "to be more flexible and to trust Bolivia."

According to official reports, Bolivian coca producers only allowed the eradication of 4,500 hectares of coca plantations to the end of October. This represents an average of 450 hectares a month. Now the government has little more than a month and a half to persuade them to allow the eradication of another 2,500 hectares before the end of the year, that is, three times as much as the monthly average so far.

Ossio said that coca eradication is "only one part, and not the largest part, of the fight against drugs," adding that the United States must also consider "other aspects of the problem in which Bolivian authorities have been resoundingly successful."

"Here we are facing the problem of which comes first, the chicken or the egg," said Ossio pointing out that for Bolivia "alternative development comes first, yet without excluding the possibility of repression, prevention, or respect for international agreements."

"We suggest that alternative development is a priority and the center of our antidrug plan but, naturally, it is linked to the assistance we receive or do not receive," Ossio said.

The vice president said: "It is difficult to meet eradication goals without the needed resources." Ossio reiterated that the Bolivian Government thinks that the success or failure of the antidrug campaign is determined by the assistance of developed countries in the national alternative development programs.

The vice president talked at length on government efforts to eliminate the source of drug trafficking. Ossio recalled that he recently read in the press that antidrug organizations burned several kilos of cocaine worth $700 million.

"Many people must be wondering why we did not stop the burning so that we could sell the drug into the market. Naturally we have to consider the moral aspect, international agreements, and other elements that we want affected countries to understand, particularly the most developed ones, so that they can provide more funds for alternative programs," Ossio said.

The vice president stressed that for each $100 that drug trafficking produces, only $1 remains in the economies of the countries that produce the raw material—countries like Bolivia.

"These are some aspects that industrialized countries cannot forget," Ossio said urging all parties involved "to continue advancing in a thorough understanding of the issue."

The vice president insisted that the U.S. Government must trust its Bolivian counterpart "to do everything possible" to fight drug trafficking.

"Our U.S. friends should understand that they must trust and risk a little more. We want to fulfill our commitments in good faith but we do not have the necessary means," Ossio said.

The vice minister believes that "it is difficult to do anything without trust."

"I think we deserve to be trusted because we have the will to fulfill our commitments. But it is necessary to understand that we can reach our goals only if we have the resources," Ossio stressed.

The vice president ruled out any possibility of resorting to force to eradicate coca plantations, but warned that the authorities could resort to the law to accomplish that goal. "We have ruled out the use of violence to achieve immediate and accelerated eradication results. We will not accept any violation of the law," Ossio said.

The eradication of 7,000 hectares of coca plantations is part of an agreement with the United States, but it is also written in the Law of Special Regulations for Coca and Controlled Substances that was approved in Bolivia five years ago.

Direco Responsibility in Coca Eradication Viewed

PY2111022491 La Paz PRESENCIA in Spanish 15 Nov 91 p 5

[Text] The Senate Narcotics Commission yesterday established that the Coca Eradication Directorate [Direco] is the main culprit for the government's failure to meet its commitment to eradicate 7,000 hectares of coca plantations during 1991.

"We have ascertained that the low eradication rate is mainly because Direco officials did not try hard enough to visit peasant communities to convince coca producers to eliminate their crops, and that these officials only sat in their offices waiting for peasants to visit them," Senator Lorgio Rivera, president of the Senate Narcotics Commission, said yesterday. The senator added that government officials were also slow to pay peasants the $2,000 that the government offered them per eradicated hectare of coca planting.

"A former Direco director told us that disbursements were not always timely and that it was usual to see long lines of peasants waiting to receive their money," the senator said.

According to official reports, Bolivian coca producers only agreed to eliminate 4,500 hectares of coca plantations until the end of October despite the government promise to the United States to eradicate 7,000 hectares.

Authorities now have one and one-half months to persuade peasants to eliminate another 2,500 hectares, at a speed that will be three times faster than the eradication average during the year.

Senator Rivera agreed with government officials that the goal of eradicating 7,000 hectares of coca plantations will be almost impossible to fulfill. The senator also said that drug traffickers sabotaged government efforts by producing an artificial demand that doubled the price of the coca leaf in the past few weeks.

Antinarcotics Chairman on Eradication Program

PY2111024091 La Paz PRESENCIA in Spanish 13 Nov 91 p 7

[Text] The Senate Antinarcotics Commission has said that it understands the protests of the peasant coca producers regarding the sluggishness with which the government is carrying out the alternate development program, but warned that the first results of that program will only be tangible by the end of Jaime Paz Zamora's presidential term.

"President (Paz) has never said that the project will be carried out in a year or two," said Lorgio Rivera, chairman of the commission, who admitted the legitimacy of the peasant complaints over the sluggishness of the program.

He added that, like the rest of the government social policy, the alternate development program, called as "nonexistent" by the peasants, "is a long-term plan."

"We will surely see the results of the program to a large extent by the end of President Jaime Paz Zamora's government, but we will be able to enjoy all results, if we can say so, between now and some five or six years later, according to what has been planned," he said.

Peasant leaders from the Chapare, the most important Bolivian zone producing coca, bitterly criticized the government recently for "deceiving" the producers with nonexistent plans to replace the coca plantations with others which are equally profitable.

Rivera also admitted that the delayed plans to replace the coca plantations will prevent the government from convincing the peasants to eradicate 7,000 hectares of their plantations in 1991, as promised to the U.S. Administration in exchange for aid amounting to $66 million for the Bolivian balance of payments.

"It is obvious that there is a problem in the field of voluntary eradication, and that it is very difficult to achieve the goal of 7,000 hectares by December. However, government officials will make extra efforts to achieve this," Rivera said.

According to the agreements signed with U.S. officials, the United States must disburse the $66 million aid in three $22 million parcels, but the last parcel will be released only if the Bolivian Government shows that the promised hectares of coca plantations are eradicated by 31 December.

"If the promised number of hectares are not eradicated, there will be no disbursement," Bruce Wharton said. Wharton is the press attache of the U.S. Embassy in La Paz.

By the end of October, eradication amounted to 4,500 hectares, with an average of 450 hectares per month. Now the government has only two months to eradicate 2,500 hectares.

"There are always obstacles in implementing a project, (but) because of the obstacles we have not been able to overcome, we Bolivians do not deserve to be punished," Rivera said yesterday.

"If we cannot definitely eradicate 7,000 hectares, the (U.S.) aid must come in a proportional manner. If we have fulfilled 90 percent, 90 percent of the $22 million must come. And finally, when we complete the 7,000 hectares, we must receive the 100 percent, which can be accomplished by January or the end of February," he said.

Repentance Decree Deadline Set for 29 Nov

PY2111013691 La Paz Television Boliviana Network in Spanish 1700 GMT 20 Nov 91

[Text] Drug traffickers can surrender under the Repentance Decree until 29 November. So far, the enforcement of this decree has yielded remarkable results.

This is San Pedro Jail in La Paz, where many detainees linked to illicit drug trafficking activities are being held. Among them are those who surrendered under Supreme Decree 22881, which is better known as the Repentance Decree.

The Repentance Decree, promulgated on 29 July, establishes that those who surrender under its terms can avoid being extradited. Only 10 days before this decree expires, seven drug traffickers already have voluntarily surrendered under it and are waiting for their cases to be investigated. They are: Edwin Guzman, Antonio Naciff, Winston Rodriguez, Hugo Rivero Villavicencio, Oscar Roca, Jorge Flores Moises, and Alcides Guardia. The first four already have testified before the First and Second Courts of Controlled Substances and are being held at La Posta, which is the maximum security section at San Pedro Jail. At La Posta, 63 prisoners are being held for various crimes.

As can be seen, this jail does not have the necessary security conditions. As a result, the government had to build a maximum security section [words indistinct], 40 km from La Paz. These facilities offer excellent security conditions to prisoners charged with involvement in drug trafficking. Meco Dominguez, who has been sentenced to 21 years in jail, and Roberto Suarez, who has been sentenced to 15 years in prison—both for involvement in drug trafficking activities—will also be held in this maximum security pavillion.

Once the Repentance Decree expires, the Special Antinarcotics Force will be in charge of pursuing other people involved in drug trafficking. Meanwhile, the government expects more drug traffickers to surrender during the final 10 days before the expiration of the Repentance Decree.

For some people, this decree has been a success. For others, it has not been such a success. One way or the other, seven alleged drug traffickers are waiting for the end of the legal investigation that will prove whether or not they are guilty of drug trafficking.

President Goes to Rome for Drug Conference

PY2111105691 La Paz Television Boliviana Network in Spanish 0200 GMT 12 Nov 91

[Excerpt] At approximately 1200 today, President Jaime Paz Zamora boarded the aircraft that will take him to Rome, where he will attend the World Conference on Drugs and Alcoholism sponsored by the Holy See.

Shortly before boarding the aircraft, he reviewed the troops of the Colorado Regiment on the landing strip of El Alto Airport.

After the normal protocol ceremony, President Paz Zamora bade farewell to the vice president and all cabinet members who came to see him off.

Paz Zamora told a group of journalists that he was travelling to Rome with the same devotion as any Bolivian invited by the Holy Father to attend this transcendental event. He said that he will take Pope John Paul II a message of faith and hope from all Bolivians and will invite him to visit Bolivia next year. He added that he will discuss a series of issues of national interest with the Pope. [passage omitted]

Congress Approves Accepting Loan From Taiwan

PY2011141691 La Paz PRESENCIA in Spanish 14 Nov 91 p 5

[Excerpt] The congressional government majority (MIR-ADN-PDC) [Movement of the Revolutionary Left-Nationalist Democratic Action—Christian Democratic Party] yesterday approved "in general and in detail" a law which approves a $25 million free availability loan from the so-called Nationalist China which is not recognized by the United Nations or by the Bolivian Government.

The law was approved despite protests from the opposition and after a debate that lasted more than three hours. The debate was overwhelmed by the Patriotic Agreement government alliance. [passage omitted]

Brazil

Collor, Venezuela's Perez Agree on Tariffs

PY2011204091 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Nov 91 p 5

[Excerpt] Brasilia—President Fernando Collor and his Venezuelan counterpart Carlos Andres Perez yesterday agreed to sign an economic cooperation agreement to reduce the customs tariff for products traded between the two countries. The agreement will be signed in February, in Manaus or Belem, during a meeting of the Amazon Pact comprising eight Latin American countries. The purpose of this meeting will be to unify the position of Amazon region countries in view of the UN World Conference on the Environment (Rio-92).

According to Foreign Minister Francisco Rezek, the decision to increase commercial exchanges between the two countries will be formalized today through a joint communique that will be signed by Collor and Perez.

"Presidents Collor and Andres Perez will take advantage of the Amazon Pact meeting to sign the economic agreement," Rezek said. According to the minister, last year Brazilian and Venezuelan trade amounted to nearly $630 million (close to 454 billion cruzeiros at the commercial exchange rate) and the trade balance favored Venezuela. Brazil exported goods worth $260 million to Venezuela and imported $370 million worth of goods from that country. Brazil mainly imported oil from Venezuela while Venezuela imported various products, from soybean oil to cars, from Brazil.

But trade issues are not the only items on the agenda of Collor and Perez, who arrived in the country the evening of 17 November for a two-day visit. The demarcation of the Ianomami Indian reserve in Brazilian territory, as announced on 15 November, was applauded by the Venezuelan president, who approved a similar measure in his country nearly one and one-half years ago. [pasage omitted]

Collor Creates Group To Draft Agrarian Proposal

PY2111024691 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 20 Nov 91

[Text] President Fernando Collor today created a working group to draft a definitive proposal for agrarian reform in Brazil. The group will be headed by Agriculture Minister Antonio Cabrera and will have to submit a proposal to President Collor before 10 December.

Minister Cabrera said President Collor today confirmed that during his electoral campaign he promised to implement agrarian reform in the country, and added that this reform is one of his administration's priorities. The government plans to expropriate some 1 million hectares before December 1994 and to settle 500,000 families.

The group also includes Economy Minister Marcilio Marques Moreira, Bank of Brazil Chairman Lafayette Coutinho, National Institute of Land Reform and Settlement Chairman Joao Mendonca, Military Household Chief Agenor Homem de Carvalho, Strategic Affairs Secretary Pedro Paulo Leoni Ramos, and Regional Development Secretary Egberto Batista.

Chile

Government Awaits Pinochet Comment on Espinoza

PY2011170891 Santiago Radio Chilena Network in Spanish 1600 GMT 20 Nov 91

[Text] The government is waiting for a proposal from Army Commander General Augusto Pinochet to resolve the institutional future of Brigadier General Pedro Espinoza whose indictment was confirmed by the Supreme Court.

This announcement was made by Defense Minister Patricio Rojas, who said that he must first wait for a resolution from Judge Adolfo Banados, who is hearing the Letelier case, about the site of detention of the indicted men, and that he will then meet with Gen. Pinochet to hear his opinion.

Rojas said that a meeting between President Patricio Aylwin, Gen. Pinochet, and himself has not yet been planned. Rojas also reported that President Aylwin will probably sign the confirmation of the Army High Command tomorrow. He said that he met with Aylwin this morning to discuss this issue.

Minister Meets Peruvian Official on Drug Issue

PY2111013891 Santiago Radio Chilena Network in Spanish 1000 GMT 20 Nov 91

[Text] Defense Minister Patricio Rojas today met with General Ernesto Lindley, intelligence chief of the Peruvian Air Force. Rojas said that drug trafficking and terrorism were the main issues discussed during the meeting.

Gen. Lindley said that the meeting is part of the cooperation agreement between the two countries.

[Begin recording] The meeting is part of the round of talks between the Peruvian and Chilean Armed Forces. The talks also involve regional problems. We are discussing two important regional issues, terrorism and drug trafficking. [end recording]

Gen. Lindley said that as a result of the talks, measures for cooperation are being made. He added that the current talks at the regional level involve the commanders of the Chilean First Air Brigade and the Peruvian Third Region.

Arrest of Chilean Musicians in Lima Noted

PY2011135291 Santiago Radio Cooperativa Network in Spanish 2200 GMT 19 Nov 91

[Text] Acting Foreign Minister Edmundo Vargas has said that the government is concerned over the situation of five Chilean musicians held in Lima on charges of alleged connections with subversive activities. Vargas said they are being given every possible support and that they must feel protected while the facts are being investigated. He said that the artists are being given legal assistance through Chilean Ambassador to Peru Alejandro Magnet and Chilean Consul in Lima (Luis Voicolea).

According to a report from Lima, Chilean citizens Fernando Villablanca, Manuel Flores, Patricio Mondaca, Roberto Vega, and Mauricio Nunez, members of the Andean Markamaru folklore group, who have been living in Peru for several years, were arrested last 15 November while performing in a musical show which included protest songs in San Marcos University. They were charged with instigating terrorism and were detained in the State Security Directorate while the accusations against them are being verified.

Acting Minister Vargas said this situation does not affect relations between Chile and Peru, which are normal. He said that he hopes that they will soon recover their freedom. Vargas added he had no concrete information on the charges made by the Peruvian prosecutor against this group.

Vargas also confirmed that last week the Brazilian Government notified the Chilean Foreign Ministry of the suspension of President Fernando Collor's visit to Chile, scheduled for next 19 December. Vargas said that the Chilean Government considers satisfactory the Brazilian Government's explanation that President Collor's presence is necessary in his country for the approval of some measures that will allow important economic reforms in Brazil.

Police Release Group

PY2011202291 Santiago Radio Chilena Network in Spanish 1600 GMT 20 Nov 91

[Text] The Peruvian police last night released the five members of the Chilean musical group Markamaru who were arrested on 15 November for their alleged link with terrorist organizations in Lima.

A source at the Chilean Consulate said that the police rejected any connection between the musical group and the proscribed Tupac Amaru Revolutionary Movement. Chilean musicians Marino Nunez, Fernando Villablanca, Patricio Mundaca, Roberto Vega, and Manuel Flores had been arrested by the Peruvian intelligence services. They are now performing at a rally at San Marcos University, which is under military occupation on orders from the government.

Commerce Group President Resignation Not Accepted

PY1911211091 Santiago Television Nacional de Chile Network in Spanish 2330 GMT 18 Nov 91

[Text] An informal meeting among businessmen and ministers of state has caused discomfort in the Production and Commerce Confederation to the point that confederation President Jose Antonio Guzman resigned from his post.

The leaders of the Production and Commerce Confederation's six branches met today for an hour and a half. The discussion's main point was the meeting organized by the Public Studies Center [CEP] on 15 November, during which important businessmen analyzed the national political and economic situation with four ministers of state.

The Production and Commerce Confederation was not invited, nor even informed about the meeting. Given this situation, the confederation's president resigned during the weekend but it was rejected by the rest of the confederation's leaders.

The Production and Commerce Confederation Executive Board today decided to declare the incident overcome after a public declaration by the CEP that clarified the reason why the confederation was not invited.

[Begin Guzman recording] According to the media, the subjects discussed during the meeting are the same subjects and concerns we already voiced before the public and the government, although they do not include all the concerns of the business sector, which, of course, is a much broader field. [end recording]

Colombia

Possible Castro Attendance at Summit Reported

PA2011202491 Mexico City NOTIMEX in Spanish 1908 GMT 20 Nov 91

[Excerpts] Santa Fe de Bogota, 20 Nov (NOTIMEX)—[passage omitted] Radio Cadena Nacional, a private radio station, citing official sources, has reported that Castro will arrive as a special guest to the Rio Group summit, which will gather 13 Latin American presidents for four days.

According to the radio report, the Group of Three [G-3], which comprises Mexico, Colombia, and Venezuela, "is interested in linking the island once again to the Inter-American system and will take advantage of the meeting to take the first steps." [passage omitted]

Even though the participation of Castro at the summit in the Colombian port of Cartagena has been ruled out, security measures have been tightened in case of "a surprise visit," the Foreign Ministry spokesman said.

The Cuban leader paid a suprise visit to the G-3 presidents meeting in Cozumel, Mexico last October and "the possibility that he may do the same in Cartagena has not been ruled out," he added.

Attendance Called 'Unlikely'

PA2011191591 Hamburg DPA in Spanish 1730 GMT 20 Nov 91

[Text] Santa Fe de Bogota, 20 Nov (DPA)—Luis Fernando Jaramillo, outgoing Colombian foreign minister, has said that for security reasons, it is unlikely that Cuban President Fidel Castro will attend the Latin American presidential summit in Cartagena de Indias in early December, as was announced by local Cuban media, the Bogota morning newspaper LA PRENSA reported today.

"The Cuban president's presence is not expected because his visit would entail serious security problems, among other reasons," Jaramillo was cited as saying.

Reports of Castro's possible arrival in Colombia were learned after the presence of 10 Cubans in Cartagena was associated with the Cuban president's trip. Local media had reported that "the Cubans are engaged in checking out the security measures arranged for the presidential summit, the technical means available for those who will attend, and the lodging accommodations that would be available for Castro."

After 10 years of interruption, consular relations between Colombia and Cuba were reestablished a few months ago, following the Guadalajara presidential summit.

The presidents and foreign ministers of the member countries of the Group of Three (G-3), Rio Group, and Andean countries will meet after the first week of December in Cartagena. The meeting of the G-3 (Mexico, Colombia, and Venezuela) and the Rio consultative group will seek new mechanisms of continental conciliation, based on the prospects offered by U.S. President Bush's initiative for the Americas and the economic opening program generated in the subregion.

The Rio Group, created in 1986 in Rio de Janeiro, is composed of Argentina, Bolivia, Brazil, Costa Rica, Colombia, Chile, Ecuador, Jamaica, Mexico, Paraguay, Venezuela, Peru, and Uruguay.

The Initiative for the Americas proposes the creation of a free trade continental zone, the promotion of U.S. free investment, and the reduction of the public foreign debt of the countries of the area.

The Andean initiative grants facilities for products from Colombia, Bolivia, Ecuador, Peru, and Venezuela to enter the United States.

Jaramillo, who was appointed by President Cesar Gaviria's government as Colombian ambassador to the United Nations, will be replaced by Nohemi Sanin, former ambassador to Venezuela. Sanin will be sworn in today.

Rebel Leaders Attend San Jose Peace Talks

PA2111013391 Panama City ACAN in Spanish 2046 GMT 18 Nov 91

[Text] San Jose, 18 Nov (ACAN-EFE) - The Simon Bolivar National Guerrilla Coordinating Board (CNGSB) of Colombia confirmed in Costa Rica on 18 November that the Armed Forces purge and a sovereign policy in the administration of the natural resources are "basic conditions to obtain peace in that South American nation."

Pablo Catatumbo, a commander of the rebel organization, [and leader of the Revolutionary Armed Forces of Colombia] stressed that the rebels will remain armed until a "new agreement" is drawn up that would include those points as well as the definition of a sovereign international policy and a new social development project.

CNGSB leaders charged in San Jose that the paramilitary groups are responsible for "thousands of murders and missing persons—for political motives—in the past years," and that these groups operate with the blessing of the Armed Forces.

The rebels said there would be no peace agreement until the Armed Forces are purged and until the military privilege, which serves as an instrument of impunity for their crimes, is eliminated.

Meanwhile, the rebels defined as indispensable the drawing up of a "sovereign" policy to make the most of the nation's natural resources, particularly the minerals and the hydrocarbons, which constitute the basis of a new economy that will allow the nation to overcome underdevelopment.

Catatumbo said, however, that the CNGSB is willing to agree to a cease-fire with the government of President Cesar Gaviria and to round up its rebel forces while the political aspects of the pacification process are being negotiated.

Antonio Garcia, also a "commander" of the CNGSB—comprising the Revolutionary Armed Forces of Colombia (FARC), the Army of National Liberation (ELN), and the Popular Liberation Army (EPL)—said that the rebel movement in Colombia continues to be very active, with 96 fronts throughout the nation and between 10,000 and 15,000 armed men.

On 17 and 18 November, the leaders participated in a San Jose conference called "Colombia: Road to Peace," sponsored by Oscar Arias, former president of Costa Rica and a winner of the Nobel Peace Prize, and by the Colombian Higher Studies Center for Human Well-Being and Peace.

Last week, the CNGSB concluded a round of talks in Caracas with the Colombian Government but did not reach any substantial agreement and warned that it does not accept the mechanisms the Bogota authorities proposed to negotiate.

According to Catatumbo, the government insists that the rebels must concentrate their forces in a limited territory throughout the talks. The rebel leaders consider this to be "unacceptable," as it would be equal to accepting a military siege.

The CNGSB proposes the establishment of several rebel settlements, in various parts of the nation and over a wide territory.

The rebel leaders hope that in February—when the dialogue is to resume—the government as well as the CNGSB "positions will be more flexible" in order to make swift progress.

Ministers Say Violence Endangers Peace Talks

PA2111013891 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 20 Nov 91

[Text] The peace talks in Caracas, Venezuela, between the government and the guerrillas are basically in doubt. Because of the increase in terrorist actions by the Revolutionary Armed Forces of Colombia, the government said that there will be a military response if no solution is achieved through dialogue. At the same time, the government announced a new military strategy to face the rebels' new wave of terrorism. Our correspondent Carlos Gomez had an exclusive talk with Government Minister Humberto de la Calle and Defense Minister Rafael Pardo.

[Gomez] The guerrillas' escalation of violence, which has claimed many lives, is endangering the resumption of the Caracas talks between the government and the Simon Bolivar National Guerrilla Coordinating Board. The government issued the warning in Villavicencio, where it held a security council meeting.

[Begin recording] [De la Calle] If the situation of public order grows even worse, the public will not find it reasonable or acceptable to continue talks that are not preceded by sincerity and honesty on the part of the guerrillas.

[Pardo] We are determined to protect society in the face of any threat that may appear. We are capable of seeking and countering possible attacks or terrorist waves that may be staged. [end recording]

During that meeting, the military and the members of the Patriotic Union [UP] and the Liberal Party blamed each other for the threats against and deaths of militants belonging to the two political groups, primarily in the (Lariari) region, where henchmen of self-defense groups are operating.

[Begin UP leader Jose Rodriguez recording] We submitted clear proof in a 500-page document, detailing the whole dirty war process and the web covering even the military institutions in the area. [end recording]

The government pledged to investigate the crime waves. Special judges and security agents such as the elite corps of the police will be sent to the area so that these crimes do not remain unpunished.

Military Forces Placed on 24-Hour Alert

PA2111013591 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 20 Nov 91

[Report by Carlos Gonzalez Herrera]

[Text] The military forces are on alert following rumors of increased violence due to the stalemate in the Caracas talks between the government and the Simon Bolivar National Guerrilla Coordinating Board [CNGSB] and with the approach of the first anniversary of the Army's takeover of Casa Verde [Revolutionary Armed Forces of Colombia headquarters in mountainous region of Meta Department]. The Air Force is conducting training operations at their base in Apiay, Villavicencio, near the eastern mountain range. OV-10 Bronco tactical support planes donated by the U.S. Government and A33 jet fighters carry out daily surveillance and control operations in Meta Department.

[Begin recording] [Pilot Rodrigo Garcia] All personnel are fully prepared for these missions and we relish it.

[Gonzalez]) What is your current state of readiness?

[Garcia] We are on a 24-hour alert.

[Gonzalez] For any public order problems?

[Garcia] No, for any situation that may arise in the country. [end recording]

The planes, among the fastest and most effective in the fight against guerrillas and drug trafficking, remain on general alert while their pilots, sharing sincere comradeship, await orders from their superiors to begin their mission.

Ecuador

President Reaffirms Call for Papal Mediation

PA2011200691 Paris AFP in Spanish 1920 GMT 19 Nov 91

[Text] Santa Fe de Bogota, Nov 19 (AFP)—The Bogota HOY POR HOY magazine published an interview with Ecuadoran President Rodrigo Borja on 19 November. During the interview, the Ecuadoran president insisted on the need for a peaceful solution to the border problems between Ecuador and Peru.

"I believe the time has come to find a peaceful solution, based on international law, to the disagreement on allowing us to live in peace in the future," Borja said to journalist Juan Vitta.

He reaffirmed the proposal he had made at the United Nations for Peru to accept the arbitration of Pope John Paul II to resolve their differences.

"Papal authority would be very important in two nations that are so profoundly Christian," Borja stated.

The Ecuadoran president noted: "Ecuador does not want any violence" regarding this conflict and asserted: "For the first time, the world is on the road to universal peace and the cold war has ended. It is inconceivable for us not to solve our problem peacefully and with respect to our country's Amazonian rights in light of the new international climate."

Furthermore, Borja admitted that the disagreement is an obstacle to the advancement and implementation of the Andean Pact and, thus, it would be beneficial for Peruvians and Ecuadoreans "to make an effort to eliminate this obstacle on the road to our integration."

The Ecuadoran leader admitted that "all the Andean Pact countries are very concerned about this matter" and asserted that he hoped "to see a positive solution" at the Cartagena de Indias meeting in early December.

Borja added that even if Peru does not accept the Pope's mediation, "the Andean economic integration will still advance" but that "things would be easier, smoother, and more spontaneous if we manage to resolve our conflict along the way."

Congress Votes for Political Trial of Minister

PA2111023091 Quito Voz de los Andes in Spanish 2300 GMT 20 Nov 91

[Text] In an extraordinary meeting held since 1740 on 20 November, the deputies of the National Congress voted, by a wide margin, to begin a political trial of Energy and Mines Minister Oscar Garzon.

The formal questioning, or political trial, will take place on 26 November at 1600, according to the deputies who attended the extraordinary meeting.

Those who will question the energy and mines minister are Deputy Carlos Ortiz of the Democratic People's Movement, who represents Bolivar Province for the Democratic Left, and Deputy Raul Patino of the Ecuadoran Socialist Party.

* Government's Proposed 'Social Pact' Outlined

92SM0086A Quito HOY in Spanish 24 Oct 91 p 2A

[Text] When the Democratic Socialist government began its administration, one of the proposals that it made to society was that of coordination. The theory could never be put into practice and remained a statement. It was said at the time that the government had failed to create the mechanisms for implementing the proposal.

After three years of government, the regime has revived the idea of coordination, but on a more restricted level: It is talking about a social pact among workers, business owners, and government. There have been several reactions to this initiative, particularly from the workers, who have voiced their disagreement with the terms proposed.

Nevertheless, the topic has just begun to be debated in some depth. For example, the Ministry of Labor has submitted a proposal for a social pact specifying the commitments to be assumed by the government, workers, and business owners.

The document, to which we had access today, proposes an accord "based on broad guidelines for action, in an attempt to consolidate a space for coordination that will enable the country to progress on the path of economic growth."

In more concrete terms, the proposal is aimed at achieving greater job stability, price control, an increase in real wages, a rise in production, and improved efficiency.

Since it is a document that has been proposed to the chambers of production and labor unions, HOY is summarizing on this page the content of the social pact, in the terms specified by the regime.

Government

- To ratify its decision to continue its effort to stabilize the principal economic indicators, to maintain fiscal discipline, to curb public spending, and to limit and reduce the bureaucracy.
- To pursue its endeavor to disinvest in the public sector, and make serious studies on a reduction in the size of the state.
- To simplify procedures and improve efficiency in the public sector.
- To raise public-service rates after a prior detailed study, and by a fair amount, so as not to distort the effort of other sectors.
- To take into account the percentages of voluntary wage increases made by the private sector as a result of this pact, in any possible general wage hikes, giving the parties freedom to decide on wage increases.
- To speed the negotiations of collective contracts, and to pursue its endeavor for moralization in the public sector.
- To contribute to increased productivity in enterprises, committing itself to improve and modernize training services, and to carry out specific programs for occupational training, in an agreement with the labor and management associations.
- The government will adjust salaries in the public sector, in keeping with the budgetary potential.

Labor

- To contribute to a heightening of productivity and efficiency in business firms.
- To promote a campaign aimed at reducing absenteeism and intensifying work discipline.
- To engage in dialogue and negotiation, as suitable means for solving problems that may arise in labor-management relations, thereby preventing generalized strikes.
- To cooperate with business owners in modernizing technological levels in business firms, and to make industrial reconversion possible.
- To take action conducive to protecting the purchasing power of wages, with activities such as the establishment of consumer cooperatives.
- To instruct the members to reach agreement with the business firms on moderate wage hike levels, both in the collective contracts and on the Minimum Wage Sectorial Commissions.

Business Owners

- To raise wages and salaries so that they tend to restore the purchasing power of the workers' income.
- To raise prices of goods and services at fair levels, which the increase in costs of production factors could affect.
- To contribute to improved working conditions, so that they may result in heightened productivity in business firms.
- To increase the supply of products of prime necessity as a mechanism to control inflation.
- To respect the legally established labor organizations and avoid massive layoffs.
- To raise employment levels, using the legal expedients created by the present government for this purpose.
- To engage in a creative, modernizing entrepreneurial action that will result in benefits for national development.
- To improve and control the process of marketing goods and services, so that prices will not increase disproportionately during this production phase.

Joint Action

- To establish mechanisms for controlling and monitoring the fulfillment of the Social Pact terms.
- To create a high-level authority for conciliation, comprised of representatives of the parties, for cases which, owing to their seriousness, deserve its intervention.
- To use all means to achieve a massive dissemination of the terms, progress, and achievements of this pact.
- The parties may, on their own, create internally suitable means for fulfilling the commitments agreed upon by their members.
- The parties conclude this pact with the intention of creating it for an indefinite period, committing themselves to making a first joint evaluation 6 months after its signing. In any event, the duration will depend on the desires of the parties.(txt1)

* PSC Candidate Discusses Public-Sector Reform

92SM0086C Quito HOY in Spanish 25 Oct 91 p 6A

[Text] Machala—Jaime Nebot Saadi has described Alberto Dahik and Sixto Duran as "psychopaths," for proposing a reduction in the state based on a massive layoff of public employees. At the same time, he confirmed his desire to decentralize Ecuador.

The Social Christian presidential candidate claimed that a reduction in the state was necessary, but by resorting to different means. He cited, for example, managing the public-sector's work contract relations in a conscientious, consistent manner, associating them with inflation. He claimed that this would, in fact, avoid the creation of a privileged bureaucracy.

Nebot declared that the state's reduction could be achieved by increasing production, and raising export levels for bananas and shrimp. In other words, it could be attained by making the country's private productive sector grow, and not by ordering unemployment for public servants.

He maintained that the 1992 budget is excessive, and "the state has become fat, while the Ecuadoran people are dying of emaciation."

The Social Christian leader added that his goal is to decentralize Ecuador, because it is only by ending centralism that there can be an end to second-class provinces.

* Republican Unity Favors Return to Bicameralism

92SM0086B Guayaquil EL UNIVERSO in Spanish 23 Oct 91 p 4

[Text] Quito—The new Republican Unity [Movement] party has proposed a new juridical restructuring of the state. This time the intention is to reinforce the democratic system and return to the old bicameral congressional system.

Fourteen years ago it was the Military Triumvirate's de facto government that proposed the Plan for Juridical Restructuring of the State. On that occasion, however, it was intended to seek a heterodoxical method for returning to the constitutional system.

Various Proposals

The Republican Unity [Movement] party, identified with number 8 by the Supreme Electoral Court, in which the ex-Social Christian Party member, Sixto Duran Ballen, is a militant, emphasizes that the presidentialist system must not yield ground to the Legislative Branch. It claims that the latter is distorting more each day the role incumbent on it in the state's organization. If this situation continues (it adds), chaos would be created, because the state administrator's weakness, due to the reduction in authority, and the lack of support in the people's hearts for a strange congressional system, would produce that chaos, with the resultant historical blame laid on the present generation.

Republican Unity proposes constitutional reforms, such as the division of the Congress into two chambers, one of senators and one of deputies. It authorizes the vice president of the republic to become, automatically, president of the National Congress and president of the Senate Chamber.

The vice presidents of the Senators' Chamber would be the ones who received the largest vote, holding that honorable office for one year.

The senators and deputies would remain in office for four years.

The president and vice president of the Chamber of Deputies would be elected by the chamber every two years, when its partial replacement occurs.

Thirty Senators

According to the reforms proposed by Republican Unity, the Senate Chamber would consist of 30 senators elected on the national level.

All the ex-constitutional presidents and the losing candidate in the first or second run-off election who participated in the election of the country's chief executive would also be members, with voice and vote, and for life.

The Deputies

The Chamber of Deputies, for its part, would consist of two representatives from each of the provinces, plus one for every 300,000 inhabitants, and another for any fraction exceeding 150,000. All the ex-constitutional presidents of the republic and, for four years, the losing candidate for the vice presidency of the republic in the first or second run-off election, would also join it, with voice and vote, and for life.

The proposed reform to the Constitution suggested by Sixto Duran-Ballen, through his party, specifies that, to be elected president and vice president of the republic, senator, or deputy, it will not be necessary to be affiliated with a political party. However, one of the parties legally recognized by the Supreme Electoral Court must sponsor such candidacies, and register them.

Referring to the present Law on Political Parties, the Republican Unity proposition maintains that it constitutes a harrowing reality, contributing to the stagnation of the republic. It claims that this law has restored the political parties as absolute retainers and masters of the state's destiny, to the detriment of the vast majority.

Paraguay

New Air Force Commander Appointment Reported

PY2011163091 Asuncion RPC Television Network in Spanish 1545 GMT 20 Nov 91

[Text] During a ceremony this morning, Brigadier General Jose Cespedes was installed as the new Air Force commander. The ceremony was presided over by General Eumelio Bernal, chief of the General Staff.

During the presentation of the troops to the new Air Force commander, Bernal said that no one should think that this change was made because of special circumstances.

[Begin Bernal recording] I come to the Air Force Command on the orders of General Andres Rodriguez, the Armed Forces commander in chief, to install Brig. Gen. Jose Cespedes as the new Air Force commander. Following his installation, Cespedes will deserve the same respect and consideration that was granted to the outgoing commander.

At no time should we think that this change was made for a special reason. This change is part of the reorganization of the Armed Forces. You probably heard and saw that newspapers reported today that a decree on the Armed Forces reorganization was promulgated already. Some small readjustments that should be made within the Armed Forces are included in this reorganization. This is a normal procedure. [end recording]

[Begin Cespedes recording] Today I formally commit myself to making every effort to appropriately discharge

my duties as the new Air Force commander. I pray to God to help me fulfill this post of great responsibility.

The Armed Forces have experienced great progress in the past three years. We will continue to make efforts to improve the institution as a recognition of what has been done and as proof of our loyalty to the Armed Forces commander in chief. We reaffirm our faith in the destiny of the Air Force and voice our patriotic conviction of the principles of loyalty and duty. [end recording]

Gen. Cabello did not attend the ceremony. He left the Air Force Command in a vehicle driven by 1st Cavalry Division Commander General Lino Oviedo.

Military Cabinet Chief General Rejis Romero, Gen. Oviedo, and Gen. Bernal accompanied Gen. Cabello to the office of the Chief of Staff to attend a meeting with President Andres Rodriguez.

Rodriguez summoned the generals to a meeting, the details of which were not disclosed to the press. Gen. Oviedo personally drove the vehicle carrying the outgoing Air Force commander.

Former Commander Arrested

PY2011152891 Asuncion Radio Nanduti in Spanish 1500 GMT 20 Nov 91

[Text] I am outside the office of the Chief of Staff to report on strong rumors that Air Force Commander General Dionisio Cabello is being held at the office of the Chief of Staff. He reportedly has been arrested because he refused to leave his post. He was replaced by General Jose Cespedes Zarza this morning. We were told that Cabello did not attend the ceremony in which Cespedes assumed the post. It is normal for the person leaving a post to attend this type of ceremony. We reiterate that Cabello reportedly is being held at the office of the Chief of Staff because he has refused to leave his post.

We have not yet obtained an official report, but we will report again as soon as we are allowed to talk with the authorities.

More on 'Disobedience,' Arrest

PY2011180491 Asuncion Radio Primero de Marzo in Spanish 1645 GMT 20 Nov 91

[Report by Tony Leon]

[Text] General Dionisio Cabello Amarilla is under arrest. General Andres Rodriguez has said that this disciplinary measure was adopted in view of a minor act of disobedience but he is not being held for insubordination. This clarifies the events that were reported this morning.

Here is a statement made by Gen. Andres Rodriguez.

[Begin recording] [Rodriguez, in progress] ... because you are surely expecting some news, before you pose any questions I will give some information.

I would like to inform you that the military promotion board concluded its meeting a few minutes ago. The conclusions of this military promotion board meeting will be included in a bulletin to be issued by the Chief of Staff this afternoon. This is done like this so as to avoid any misunderstandings.

All the measures—both ordinary and special measures—that have been adopted by this board will be included in this bulletin to be issued by the Armed Forces. Therefore, this will clear up all doubts. It will include the names of those who will retire, those who will benefit from Article 123 [not further identified], the list of new appointments because many new unit commanders have been appointed, and some transfers. This bulletin will encompass all this. Therefore, the media will have much material to cover.

[First unidentified reporter] Mr. President, will another communique be issued to calm the citizens' concern about Air Force Gen. Dionisio Cabello's situation, which has not been fully explained? What is his current situation? There are rumors about his arrest and some disagreements. What is the situation of Gen. Cabello, whom we understand was recently retired?

[Rodriguez] I believe people are exaggerating the situation. Absolutely nothing happened. Gen. Cabello disobeyed his commander in chief. In view of this minor act of disobedience, Gen. Cabello will have to suffer some punishment. The first punishment was to immediately replace him as Air Force commander. In time, we will surely hear his reasons for disobeying my orders. That is all.

[Second Reporter] Was this insubordination, General?

[Rodriguez] No. There was no insubordination. He disobeyed orders. Therefore,...

[Third reporter, interrupting] Is he under arrest?

[Fourth reporter] [Words indistinct] military justice, General?

[Rodriguez] It is undoubtedly smaller than that.

[Fifth reporter] Mr. President [words indistinct] can we say that he is under arrest?

[Rodriguez] He will remain under arrest until he explains to me the reason for his disobedience.

[Sixth reporter] You have not yet talked to him?

[Rodriguez] No, not at all.

[Fourth reporter] Will this situation cause tension within the Armed Forces?

[Rodriguez] Absolutely not. You can be fully assured, fully assured of this. I assure you. As you can see, I am completely calm—although Teresa [a reporter, not further identified] seems to be excited, perhaps because she just ran across the street. But I assure you that no unrest prevails. The Armed Forces obey their commander in chief. I know that I command the Armed Forces. I am the commander up to this time. I do not know if this will be true tomorrow.

[Reporter] [Question indistinct]

[First reporter] [Words indistinct] where is he right now?

[Second reporter] Mr. President regarding [words indistinct] was it because of Gen. Cabello's replacement?

[Rodriguez] Yes, Gen. Cabello was replaced because of his disobedience.

[First reporter] Mr. President, where is Gen. Cabello being held?

[Rodriguez] That is a professional secret. [laughs] [end recording]

Armed Forces Bulletin Reports New Assignments

PY2111020691 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 2313 GMT 20 Nov 91

[Text] We will begin today's newscast by reading the bulletin released by the Armed Forces commander in chief:

In his authority as commander in chief of the Paraguayan Armed Forces, the president of the Republic, Army General Andres Rodriguez, presided over the sessions of the regular and special promotions boards on 18, 19, and 20 November. In the sessions, the regular promotions board discussed the promotion of military officers from the rank of sub-lieutenants to that of lieutenant colonels. The special promotions board discussed the retirement of officers with the rank of generals and up, and classified lieutenant colonels and colonels that comply with the legal requirements to be promoted to the next higher rank if the National Congress agrees to these promotions. The Armed Forces commander in chief will submit these suggested promotions to Congress through the usual channels.

The promotions boards also discussed assignments to be made in accordance with the terms of new Law 74/91, which adequately reorganizes the Armed Forces' hierarchy.

Within this framework, the following assignments were made:

Army commander: Division General Ramon Humberto Garcete;
Acting commander of the 1st Army Corps: Brigade General Lino Cesar Oviedo Silva;
Acting commander of the 1st Cavalry Division: Staff Colonel Ramon Antonio Garcete;
Acting Air Force commander: Aeronautics Brigade General Jose Cespedes Zarza. He replaces Aeronautics Brigade General Dionisio Cabello Amarilla, who was placed at the disposal of the Armed Forces commander in chief; and
Acting commander of the Air Force General Staff: Staff Colonel Cesar Rafael Cramer Espinola;

Assignments in the Army are as follows:

Acting chief of the Army General Staff: Brigade General Dario Franco Flores;
Acting chief of the 1st Army Corps General Staff: Staff Colonel Mario Barreto Aguero;
Acting commander of the 2d Cavalry Division: Staff Colonel Mauricio Bartolome Diaz Delmas;
Acting commander of the 3d Cavalry Division: Staff Colonel Roosvelt Cesar Benitez Molinas;
Acting commander of the 2d Army Corps: Brigade General Mario Rodolfo Escobar Anzoategui;
Chief of the 2d Army Corps General Staff: Brigade General Evelio Favio Benitez Santacruz;
Acting commander of the 2d Infantry Division: Staff Colonel Daniel Guzman Idoyaga Mendoza; and
Commander of the 3d Infantry Division: Brigade General Aladino Manuel Enciso Ojeda.

Other assignments are as follows:

Acting chief of the 3d Army Corps General Staff: Staff Colonel Federico Magno Candia Flores;
Acting commander of the 6th Infantry Division: Staff Colonel Jose Felix Ramon Pavon Gonzalez;
Acting commander of the Military Training Institutes Command, CIME: Brigade General Pedro Concepcion de la Cruz Ocampos;
Acting chief of CIME General Staff: Staff Colonel Jorge Mendoza A. Gaete;
Acting commander of Military School Francisco Solano Lopez: Staff Colonel Juan Evaristo Gonzalez Maldonado;
Commander of Command and General Staff School: Brigade General Rodolfo Davalos Chenu;
Commander of School for Special Training of Armed Forces Officers: Staff Colonel Carlos Alberto Ayala Gonzalez;
Commander of Military School Number 2 "Col. Juan Francisco Lopez": Staff Colonel (Cilos Gordan Vergara Gaona); and
Commander of the Military Center for Training Students as Reserve Officers: Staff Colonel Hernan (Bugnatti) Carrillo.
Acting commander of the Logistic Command: Brigade General Marino Gonzalez Caceres;
Acting chief of Logistic Command General Staff: Staff Colonel Osvaldo Cruz Acevedo Gamon;
Acting Director of Armed Forces Medical Corps: Medical Corps Colonel Lorenzo Morel;
Chief of Armed Forces Medical Corps Service Directorate: Colonel Jose Enrique Gasto Monzon;
Director of Armed Forces Central Hospital: Colonel Leopoldo Horacio Poletti Cano;

Director of Drafting and Mobilization Service: Staff Colonel Pablo Manuel Idoyaga Viera;
Director of Military Geographic Institute: Staff Colonel Jose Luis (?Alves) Ibanez; and
Director of Armed Forces Agriculture and Livestock Service: Staff Colonel Cesar Concepcion Ferreira Sanchez.

The following assignments were made in the National Defense Ministry:

National Defense Under Secretary: Brigade General Oscar Rodrigo Diaz Delmas; and
Commander of the National War College: Brigade General Silvio Rafael Noguera Ramirez.

According to the commander in chief bulletin received by this television channel, the following generals were placed on the retirement list:

Division Generals Juan de Dios Garbett, Juan Manuel Campos Guillen, and Victor Antonio Aguilera Torres; Brigade Generals Ricardo Bogado Silva, Eduardo Allende, Solano Ignacio Gamarra, Luis Alberto Laguardia Roa, Pablo Feschenko, Ruben Adolfo Suarez, Dionisio Cabello Amarilla, Eduardo Ramon Sosa, Ramon Sosa Rodriguez Maldonado, and Oscar Arcadio Saucedo Rojas; and
Medical Corps General Victor Domiciano Olmedo de Felice.

The bulletin—which was signed by Division General Eumelio A. Bernal, commander of the Armed Forces General—concludes: Under the orders of the Armed Forces commander in chief.

Villalba Leaves Authentic Radical Liberal Party

PY2011231891 Asuncion ABC COLOR in Spanish 19 Nov 91 p 7

[Summary] Deputy Ceferino Villalba of the Authentic Radical Liberal Party, PLRA, one of the congressmen involved in the illegal sale of the customs liberation for importing an automobile which he is entitled to, has submitted his resignation to the PLRA. Villalba, who is a militant of the Progressive Movement, has maintained a dissident position from the party leadership for a long time.

World Bank Representative Visits Yacyreta Dam

PY1811155891 Asuncion NOTICIAS in Spanish 18 Nov 91 p 14

[Text] Commenting on the Yacyreta hydroelectric dam project, Shahid Husain, World Bank representative for Latin America, said: "We are worried. We are concerned that the work has been delayed to this extent." Husain was welcomed by Finance Minister Juan Jose Diaz Perez upon his arrival in Paraguay. He is scheduled to meet with President Andres Rodriguez.

Open, friendly, and without avoiding any issue, Husain reported that today he will meet with government representatives—specifically with Finance Ministry officials—to discuss Paraguay's development program and the World Bank program for Paraguay.

He said that the World Bank plans to finance development programs, particularly agricultural programs. He said, however, that these are conditioned to the negotiations that will be carried out in the next few days. Husain will be in Asuncion until 20 November. He will hold a news conference to explain what was achieved during these negotiations.

Husain is also scheduled to meet with President Andres Rodriguez. According to reliable sources, this meeting will be held today.

During an impromptu news conference upon his arrival, the official said that the World Bank is concerned about the delay in the timetable of the Yacyreta dam, which is a joint Paraguayan-Argentine project.

The World Bank recently conditioned the granting of new loans for Yacyreta to a cut in construction costs. In view of this, special commissions and Foreign Ministry officials from the two countries held a series of negotiations on the "monument to corruption" as Argentine President Carlos Menem described the Yacyreta project. This is why every effort has been made to cut the cost of construction, which has caused disagreements between the two countries.

Husain expressed his hope that the work will be finished by 1994 and that the dam will be operating by 1995.

Asked about the World Bank's views on the Paraguayan development program and what is needed, Husain said that emphasis should be placed on the development of human resources, agricultural development, and environment protection.

This is the first time a World Bank vice president has visited our country. He seeks to restore Paraguayan ties with this international financial institution, which specializes in granting loans, following an eight-year stagnation.

Peru

Explosions Mark Fujimori Arrival at Air Base

PY2011205691 Madrid EFE in Spanish 1842 GMT 20 Nov 91

[Text] Lima, 20 Nov (EFE)—Three projectiles were launched today by unidentified people at the "Group 8" air base of the Peruvian Air Force 10 minutes after the arrival of President Alberto Fujimori's airplane, following a tour to Asia and the United States.

Although the Air Force refused to give any information on this attack, it was unofficially learned that it took place at 0145 local time [0645 GMT], and that at least three military personnel were injured.

The projectiles, which apparently were grenades launched with guns, were launched from a field located at the end of one of the landing strips of the Jorge Chavez International Airport in Lima, near the military base.

The attackers fled as soon as they fired the projectiles 10 minutes after President Fujimori's airplane landed in the military air base coming from a tour to the United States and Asia.

Apparently, Fujimori had already left the air base when the projectiles exploded and he did not learn of the attack until later.

Neither of two armed groups, the Maoist Shining Path or the Guevaraist Tupac Amaru Revolutionary Movement, have claimed responsibility for the attack, but it was attributed to the latter group given its spectacular characteristics.

MRTA Claims Responsibility

PA2111014491 Madrid EFE in Spanish 0053 GMT 21 Nov 91

[Text] Lima, 20 Nov (EFE)—The Peruvian armed rebel group Tupac Amaru Revolutionary Movement (MRTA) on 20 November claimed responsibility for an attack on President Alberto Fujimori's plane shortly after the president left the aircraft.

The MRTA said, in a communique delivered to EFE, that on 19 November [as received] it fired seven 60mm mortar rounds on the "8th Air Group," the military zone in Lima airport, and caused "considerable damage" to the presidential airplane.

Unofficial sources, which did not indicate if the airplane sustained any damage, had previously reported that the attack took place approximately 10 minutes after Fujimori left the aircraft; he was arriving from a tour through southeast Asia.

The MRTA also claimed responsibility for a car bomb, which exploded 15 minutes after the attack at the Lima airport, on a street close to the airport to prevent the passage of the presidential entourage.

These actions seem to be part of a new antigovernment offensive launched two weeks ago, when the MRTA failed to hit the presidential palace with grenades, although two policemen and one woman were injured by the shock waves.

Official Denies Government Becoming Dictatorship

PA2011171991 Lima Global de Television Network in Spanish 0100 GMT 20 Nov 91

[Text] Alfonso de los Heros, president of the Council of Ministers today rejected charges that the government is headed toward a civilian-military dictatorship and called for calm and dialogue. De los Heros said that the government is willing to amend anything that is not right, however, it is important to maintain the essence of more than 100 legislative decrees to guarantee stability and clear and coherent guidelines to attract the investment the country needs.

[Begin De los Heros recording] As I said a minute ago, according to the Constitution no private document, regardless of whether it is secret or not, can be made public without the owners' consent. I want to establish something that pertains to basic ethics in any sort of relationship. If I have a personal letter, no one can disclose its contents, even though it is not marked secret. That is the guarantee the Constitution gives me as an individual. Regarding the specific topic of the press and the stolen state documents, I specified that only the secret documents would be restricted. The laws will have to establish which are the secret documents because obviously, as you know, any document can be stamped secret. There is no reason to believe then that there is any restriction of freedom when the Constitution guarantees otherwise. At least this is the way it is in Peru.

Regarding drugs, this topic is handled by the Foreign Ministry and is under permanent discussion. Do not forget that talks took place following the U.S. agreements. I understand that the delay in the delivery (?of aid) is because we are completing the organization to implement this agreement. I repeat what I said at the beginning, we have always sought and demanded laws that ensure efficiency in dealing with drugs. These laws have been decreed in good faith. I say this because when I became part of the Council of Ministers and involved in the preparation of these laws, they were prepared in good faith. Each sector has taken charge of preparing its own laws and we have tried to make things work—not only in the area of the military, but also in the civilian and human rights area regarding efforts to bring peace to the country.

I also talked about doubtful aspects, unclear aspects, or anything that might raise concerns regarding the restriction of freedom. I do not believe that anyone here is thinking that there is not freedom of the press at this time. I do not want you to think that we are going to restrict that freedom either.

We are willing to hold talks about this issue; I also mentioned this because the legislature is the channel these matters must go through. [end recording]

Papal Mediation in Border Conflict Rejected

PA2011192291 Mexico City NOTIMEX in Spanish 1556 GMT 19 Nov 91

[Text] Lima, 19 Nov (NOTIMEX)—Peruvian Foreign Minister Augusto Blacker Miller has rejected mediation by Pope John Paul II to solve the territorial conflict with Ecuador.

Blacker, who assumed his post on 6 November, said that Ecuador was "acting rebelliously" regarding the Protocol for Peace, Friendship, and Borders. The two countries signed this protocal in January 1942.

"Peru once again reiterates its respect for what is stated in the Rio de Janeiro Protocol. It is a legal framework that defines democracy for the common border," the foreign minister said.

He said that it was "unfortunate" that the Ecuadoran media "continues to speak about possibilities that are not included in the treaty and confuses the people of Peru and Ecuador." The foreign minister was referring to statements made by Bolivian President Jaime Paz Zamora and by Adolfo Perez Esquivel, the Argentine Nobel Peace Prize winner, who said they would support papal arbitration to overcome the border conflict between the two countries.

Blacker pointed out that "the Rio Protocol does not include the participation of any other person, be it legal of natural, other than the treaty's guarantor countries" (Argentina, Brazil, Chile, and the United States). He stressed that Peru can neither approve or "support" the pope's participation.

Ashaninkas Indians Fight Shining Path in Satipo

PY2111021891

[Editorial Report] Lima LA REPUBLICA in Spanish publishes on 11 November on pages 13 through 15 a 1,500-word article in which correspondents of the LA REPUBLICA investigative unit report on the critical situation of the Ashaninkas Indians, who belong to the Poyeni community living in the Satipo mountain range. They reported that the Indians "organized themselves to struggle with machetes, bows, and arrows against Shining Path terrorists, because they do not have the support of the security forces."

Following the murder of their leader, the Ashaninkas living in the Tambo Valley decided to create a self-defense system to use against the Shining Path terrorists, who on many occasions have unsuccessfully tried to destroy them. However, recent Shining Path terrorist attacks on the Indian community of Poyeni forced some of their leaders to ask the government for weapons.

The report notes that on 22 August the terrorists tried to attack Poyeni but that they were repelled with bows and arrows by some 400 peasant patrol members. The last attack occurred on 29 September when 150 terrorists invaded the community, killing six peasant patrol members and burning several shacks. The article adds that everybody, including men, women, and children, are involved in the struggle against the terrorists. They reported that the Shining Path terrorists have increased their activities in the past eight months to try to overpower the community.

The Shining Path forces comprise 400 men, most of them Ashaninkas Indians who were forced to join the terrorists. During a recent attack some 100 Ashaninkas in those forces were arrested and are now helping to defend Poyeni.

They also reported that the community of Poyeni is facing "serious health and food problems, and that cholera is spreading in the area, where the disease killed 10 people last month."

They said that the mayor of Rio Tambo went to Lima to request urgent help for the Poyeni community which is firmly resisting the frequent terrorist attacks. The Poyeni civilian defense secretary said that they did not ask the government to militarize the zone, but to help them to expell the Shining Path terrorists from the zone and to rescue the Ashaninkas who were captured by the terrorists.

Government Orders Fuel Prices Increased

PY2011232891 Lima EXPRESO in Spanish 11 Nov 91 p A4

[Summary] The government has ordered price increases of gasoline, kerosene, and natural gas. The official gazette EL PERUANO reports that the 84 octane gasoline will go from 1.93 soles per gallon to 2 soles; the 95 octane gasoline will go from 2.63 soles per gallon to 2.94 soles; kerosene will go from 1.02 soles per gallon to 1.06 soles; and natural gas from 1.05 soles per gallon to 1.09 soles.

Japan To Give 70 Million Yen for Technical Aid

PY2011233291 Lima EXPRESO in Spanish 8 Nov 91 p A12

[Summary] An agreement was signed in the World Bank by which Japan will donate 70 million yen, approximately $500,000, for financing technical assistance programs in Peru.

Uruguay

Lacalle Cancels U.S. Trip Because of Scheduling

PY1911201091 Madrid EFE in Spanish 1342 GMT 19 Nov 91

[Text] Montevideo, 19 Nov (EFE)—Uruguayan President Luis Alberto Lacalle today suspended the trip he was planning to make to the United States from 4 to 9 December.

During this trip, Lacalle was to attend an IDB [Inter-American Development Bank]-sponsored conference and meet his U.S. counterpart, George Bush.

Foreign Minister Hector Gros Espiell said today that the trip "was suspended for reasons of schedule." He noted that "President Lacalle will have a very busy schedule in December."

Shortly before the announcement of the visit's suspension, Lacalle met IDB President Enrique Iglesias, a Uruguayan citizen.

Bush and Lacalle were to meet on 5 December, but Foreign Ministry spokesmen said that "the meeting has not yet been confirmed."

Early in December, Lacalle will attend a Rio Group summit in the Colombian city of Cartagena de Indias. Later, instead of going to the United States, Lacalle will return to Montevideo "to attend to his many commitments," Gros Espiell said.

Venezuela

Three Die in Protests Against Fare Increases

PA2111031691 Caracas Venezolana de Television Network in Spanish 0000 GMT 21 Nov 91

[Text] The Metropolitan Police are trying to identify a group of people who on 20 November opened fire on students protesting in front of the Francisco Fajardo High School in Caricuo and the Santa Cruz Shopping Center in Macarao. Three people are dead. Here is a report by Ricardo Matheus:

[Begin recording] [Matheus] Student groups in Caricuo again protested the high cost of living and the increase in transportation fares. Policemen arrived, and the students began to flee when the police used tear gas and birdshot. The policemen surrounded the students and were able to neutralize the groups found in Caricuo. Other groups then began protesting in front of La Charanga and in the Santa Cruz neighborhood in Macarao. The Metropolitan Police went there too, and there was shooting and more tear gas. Erwin Capote Rondon, a student of Francisco Fajardo High School, Jose Gregorio Delgado, a student of Juan Lovera High School, and worker Jose Humberto Lopez were killed in the shooting.

[Police Inspector Gonzalo Sanchez] The shooting apparently took place from inside the crowd of demonstrators. We do not know what really happened. Shots were fired at the police from a hill.

[Matheus] Were the young men dead when the police arrived here, or did the police fire on them?

[Sanchez] I cannot give you an answer at this time. An investigation has been opened. We are trying to clarify the entire situation.

[Matheus] After the Metropolitan Police had reduced the number of protesters, members of the National Guard arrived to prevent any reaction from local residents. Metropolitan Police Commander General Jesus Rafael Caballero then gave his official version of the incidents.

[Caballero] I suspect that some people infiltrated these protests, trying to create disorder and chaos. The police are sent to these disturbances without firearms. They go with riot gear such as tear gas and rubber bullets. Those are the instructions we have issued, and they are being obeyed. That is why the shooting is inexplicable. However, there are witnesses who say that shots were fired from a hill aimed at the police and the crowd. That is why we presume the dead are the result of that shooting. [end recording]

* Venamcham Official on Free Trade With U.S.

92SM0072A Caracas EL DIARIO DE CARACAS in Spanish 13 Oct 91 p 19

[Interview with Antonio Herrera-Vaillant, vice president of the Venezuelan-American Chamber of Commerce and Industry—Venamcham, by Elinor Gil; place and date not given]

[Text] Antonio Herrera-Vaillant, vice president of Venamcham [Venezuelan-American Chamber of Commerce and Industry], admits that a possible free trade agreement with the United States would have drawbacks in the industrial area, which would have to readapt. He also admitted that there would be unemployment, which should not be hidden. Concerning complaints of unfair competition against Venezuelan exports, he cited a lack of knowledge and ignorance of American law.

Complaints of dumping and unfair trade practices lodged by American manufacturers against Venezuelan exports would create distrust among national businessmen insofar as they generate ignorance concerning the true parameters of the situation.

This opinion was expressed to EL DIARIO DE CARACAS by the vice president and general manager of the Venezuelan-American Chamber of Commerce and Industry, Venamcham, Antonio Herrera-Vaillant, when he was asked to give his views on remarks made by the president of the ICE [Foreign Trade Institute], Miguel Rodriguez Mendoza, who had observed that such complaints could endanger the economic adjustment program by generating distrust among businessmen who have lent their support.

"Like all other countries, the United States has its rules, some of which are negotiable internally and others not. Penetrating the American market means negotiating rules when they are negotiable and, when they are not, simply going along with them. For example, in the case of exporting Venezuelan mangos, it was not a matter of a political situation on the American market, but rather, a health problem that was solved once the proper measures had been taken."

Herrera-Vaillant based his opinion on the fact that such complaints are a constant in relations between the United States and Japan, the European Community, and Canada. In other words, allies and friends have had to deal with complaints in their trade relations.

[Gil] However, in such cases, it has been a matter of commercial problems between industrialized countries. In the case of Venezuela, it would be an unequal situation in which our country could be hurt.

[Herrera-Vaillant] In these cases, it is not a matter of matching forces, but rather, of knowing and understanding the rules of play. The inadequacies from which we suffer are the result of ignorance, and here one could apply the old fable about "the frogs who would be king." For years in Latin America, we have been asking to deal with the United States on an equal footing, but when this does not happen, we do not know what to do.

Venezuela's disadvantages are of our own making, which in turn means that we are the ones who will have to correct them. We have spent enough time at the "wailing wall"; it is time for action. It should be recalled that our country has embarked upon a process of reform in which it is the defects that stand out the most.

We must approach trading problems as other countries approach theirs, without asking for any political favors or using lobbies or "leverage" improperly. This brings us to the stance taken by President Carlos Andres Perez of not situating such issues in the political arena or interpreting them as some malicious conspiracy. Rather, they have been dealt with intelligently, separating every element of discussion. These cases are "occupational hazards" about which no myths or spectres must be created. They are simply cases to be handled administratively.

Measure's Advantages

[Gil] American investors are looking to Latin America as a profitable, safe, attractive option. Which factors would be indicative of such options?

[Herrera-Vaillant] Latin America is increasingly enjoying a stable political and social climate following institutional paths. We have a very compatible social climate in a closer, more intimate atmosphere. The other advantage we have is our geography. In the case of Venezuela and the Caribbean, this becomes extremely important for transport and communications. The region's compatibility as a unit in terms of the products it supplies and the demands that exist in the north is also an important factor. All of these things combine to make Latin America a truly attractive area for the investor. These are the positive aspects that must be stressed.

[Gil] If the direct material incentives contained in the Bush initiative are restrictive for Venezuela, what other advantages might the proposal contain for our country?

[Herrera-Vaillant] Without question, the share of the debt is not relevant in the case of Venezuela. I think the most important aspect of the Bush initiative is the end goal, which is to create a free-trade zone. Without taking anything away from it, it is still painful to me that we should be lagging behind Chile in this area, not because I want to take anything away from Chile, but rather, because I think Venezuela should be in the lead. With all of its eminently nationalist tradition, Mexico is on its way without any deception, myths, or reservations about a free-trade association with the United States and Canada.

Motives and intentions in international economic dealings do not count a great deal; what counts is results. Speculating is not very fruitful. What is important is to know what net profits result for the people.

I am not implying that the free-trade agreement is just around the corner; it is a long process. We estimate that Mexico will reach an agreement somewhere around the end of 1993. If the free-trade agreement comes about, it will open up a wide range of markets in North America. After all, we are not only talking about the United States, but of Canada and Mexico as well. We are not only going to be talking about exports, but also of economic interaction, exchanging services and transportation. Venezuela is tremendously behind in the realm of technology, and new technologies and ideas will come along opening up sectors of the country that are still lagging behind.

[Gil] What would be the disadvantages to our country of a possible free- trade agreement with the United States and Mexico?

[Herrera-Vaillant] Adjustments will be made and are already taking place, adjustments in sectors that up to now have gone by different rules of play and belonged to a practically outdated framework and will have to fit the new reality. This adjustment will affect businessmen and in some cases the workers. We must not conceal that fact. People must be helped to make the transition because sacrifices will indeed have to be made.

We must begin to create the dynamic. For example, the automotive industry faces tremendous adjustments and there will be unemployment. We must prepare to relocate those workers.

* Privatization Income Excluded in 1992 Budget *

92SM0075A Caracas EL UNIVERSAL in Spanish
24 Oct 91 Section 2 p 4

[Article by Bernardo Fischer; first sentence is EL UNIVERSAL introduction]

[Text] The budget bill leaves an "additional hole" in next year's spending; cuts are expected to be made in the foreign debt service payments.

Congress has attempted to reduce the 1992 budget to 859.734 billion bolivars by totally eliminating privatization revenues amounting to 10.75 billion bolivars.

The parliamentary bill, which will be sent to the Executive, is based on the fact that privatization revenues have not yet actually been quantified, which must first be done, and then they will be allocated in accordance with the future Privatization Law to be passed during the second parliamentary session of 1991.

Under the Privatization Law, resources generated from the sale of state enterprises, a total of 140 billion bolivars in two years, are to be used in accordance with specific criteria: 30 percent for foreign debt capital repayments;

25 percent for social programs; 15 percent for scientific research; and 30 percent for new privatization programs.

The decision to trim 10.75 billion bolivars from the 1992 budget forces the Executive to again revise the budget to decide what will be cut from the budget bill scheduled to be approved on 30 November 1991.

It was reported that the cut may come from the 1992 foreign debt payment allocations, which could then be revised after approval of the Privatization Law by issuing an additional credit.

Two Parallel Budgets

Just two months before the end of 1991, the administration has had to prepare two parallel budgets, one for 1992 and one for 1993, since estimates for the final year of the Perez administration must be submitted in March 1992.

Using these projections, the Executive has created a fiscal scenario for the final two years of this administration to maintain consistency between the two bills.

For 1992, the executive has left a margin exceeding 70 billion bolivars as the consequence of three areas not included in the budget: 44 billion bolivars that the privatization process will supposedly generate next year; 11.6 billion bolivars to be produced by the Venezuelan Investment Fund Law reform, which reduces the legal level of ordinary resources from 5 to 3 percent for next year; and finally, a minimum contribution from the VAT [value-added tax]. If approved at the end of this year, this tax could bring in between 12 and 15 billion bolivars if collections begin in the last quarter of 1991.

1993 Oil Price Decline

In the preliminary 1993 budget estimates to be submitted to Congress in March 1992, certain premises have already been established, based on the administration's projected macroeconomic variables.

First, the price of petroleum declines from $19 to $17 per barrel, but the export share increases to 2,300,000 barrels per day.

Internal revenues are expected to improve substantially with the approval of the VAT, which may generate about 3 percent of this year's GDP [gross domestic product] (120 billion bolivars).

The administration has drafted three scenaries for the exchange rate, so that the one most closely fitting March 1992 may be selected.

These scenarios assume an exchange rate of 63, 65, and 68 bolivars per dollar, which would raise the national budget above 1 trillion bolivars.

1991-1993 Economic Variables (Budget Indicators)

Variable	1991	1992	1993
GNP growth	8%	6.6%	8%
Inflation	30%	15%	10-12%
Exchange rate (annual average)	57Bs/$1	63 Bs/$1	68Bs/$1

However, government specialists note that this budget would simply reflect vegetative growth, since a large part of the transfers from the central government to public enterprises operating at a deficit would be eliminated through privatization. It is estimated that the consolidated public sector will have 50,000 fewer employees when the process has been completed.

The projected inflation rate for 1993 will be 1 percent a month (12 percent a year), a goal that the administration is emphasizing, despite the dismal results predicted for 1991.

Economic growth is projected at 8 percent of the GDP, with operational reserves exceeding 14 billion bolivars.

Although it is still two years before the end of the Perez administration, the 1993 budget does give us a glimpse of the optimism still reigning in his cabinet about achieving the goal of sustained economic growth with low inflation.

* Cordiplan Minister Rodriguez on VAT, EAI

92SM0075B Caracas EL UNIVERSAL in Spanish 22 Oct 91 Section 2 p 1

[Report on interview with Miguel Rodriguez, Cordiplan [Office of Coordination and Planning] minister, by Bernardo Fischer; place and date not given; first six paragraphs are EL UNIVERSAL introduction]

[Text] Upon arriving from the IMF-World Bank Assembly, the Cordiplan [Office of Coordination and Planning] minister announced that payments of $500 million (IMF) and $470 million (World Bank-IDB [Inter-American Development Bank] are expected in November, part of the funding programmed with these institutions.

He said the government is making an effort to accelerate approval of the VAT [value-added tax], by agreeing to transfer 50 percent to local governments, to reduce the tax rate to below 10 percent, and by creating a luxury tax.

Without the VAT, we will have fiscal equilibrium, but on the basis of public-sector spending cuts.

The IMF has scaled down its loan to Venezuela from $6 billion to $4 billion, given Venezuela's high level of resources ($13 billion).

The Cordiplan projections for 1991 show growth between 6 and 8 percent of the GNP [gross national product], inflation under 30 percent, and a $1.5 billion surplus in the balance-of-payments' current account.

Venezuela is one of six Latin American nations that will participate in the Enterprise for the Americas Initiative [EAI] proposed by President Bush.

Upon his return from Bangkok where he took part in the International Monetary Fund and World Bank assembly, the Cordiplan minister, Miguel Rodriguez, said the two institutions still consider Venezuela's adjustment process one of the most successful in Latin America.

However, he warned that a delay in passage of the VAT could become an obstacle to IMF payments, as the VAT is a crucial component in balancing the government's accounts.

Rodriguez said that for the international institutions, Latin America and its foreign debt are no longer in the limelight, given the new world situation and the inclusion of the Soviet Union and the former socialist bloc in the world financial system.

He reported that the IMF director, Michel Camdessus, had praised the economic adjustment processes in Chile, Mexico, and Venezuela.

He said the VAT, a key factor in the administration's tax reform, is a healthy step that should not be delayed.

"This tax is not something being done to win votes. Venezuela is the only country that has this tax [sic] in Latin America, and one of the few countries in the world that does not use this tax mechanism."

He reported that the VAT may bring in between 5 and 6 percent of the GDP [gross domestic product] to the treasury, since it has replaced other taxes as a generator of state revenues.

"The VAT is not a short-term solution, but it is a solution for the imbalances that may exist between spending and revenues during the next few years. We have proposed sharing up to 50 percent of these revenues with local governments."

[Fischer] What is the administration's opinion about the Copei [Social Christian Party] proposal to use these resources for social spending?

[Rodriguez] The revenue-sharing proposal assumes that these revenues will be used for social needs. The central government is prepared to transfer part of the education and health services to local governments.

Balanced Budget Under Any Circumstances

Rodriguez warned that if the VAT is not approved, the government will still pursue its goal of fiscal equilibrium under any circumstances.

In his view, the reason is simple. You cannot spend what you do not have. There is no other way but to cut spending in real terms.

Rodriguez said he is prepared to make changes in the original draft of the VAT, in an attempt to reach a consensus with different political groups, by introducing features suggested in Congress.

"One proposal is to divide the VAT in two, so that the local governments and the central government will receive these revenues in equal shares."

Foods and medicines are excluded from this tax, but a luxury tax has been added, which will include automobiles costing over $15,000.

[Fischer] Will the 10-percent rate be kept?

[Rodriguez] We are considering cutting the rate, but within a specific range. We are analyzing all proposals so we can get a complete VAT bill.

He said the administration is prepared to improve the original bill, as the nation's revenue sources need to be diversified. This is not a problem of one specific administration; it is a problem for the state, in its efforts to decrease Venezuela's dependency on petroleum.

Rodriguez said that in practice, the VAT will start to take effect during the next administration. If it is approved during the first quarter of 1992, collections will begin on a small scale in 1993.

Complete collections will begin between 1994 and 1995.

[Fischer] If the VAT is not approved, will there be any problems with the IMF payments?

[Rodriguez] We obviously have a specific program not only with the IMF, but also with the World Bank and the Inter-American Development Bank, and approval of the VAT is important. If it is not approved, that could eventually generate problems with programs, even though we have exceeded all our scheduled goals.

In November macroeconomic projections will be presented to the IMF board for review and later release of payments.

[Fischer] Does the government need to have a final answer about the VAT by that time?

[Rodriguez] No, it is not expected then.

He stated that they expect to receive a $500 million payment by the end of November, with the next payment to be made in March and April 1992.

He indicated that the government has scaled down its IMF program, as it was initially calculated that $6 billion would be needed. This was based on the critical state of Venezuela's international reserves in 1989, when it had inherited barely $300 million from the previous administration.

Now the IMF loan has been reduced to $4 billion, $2 billion less, as there are enough international resources that $6 billion can not be justified. The Central Bank of Venezuela now has $13 billion.

The World Bank, IDB, and Eximbank [Export-Import Bank] of Japan loans linked to the restructuring of basic enterprises and the financial sector reform are expected to amount to a total of $470 million in November.

This means that between the IMF, the World Bank, IDB and Eximbank of Japan, a total of $970 million should be received during November.

Support for Bush Private Investment Program

The Cordiplan minister announced that at the Bangkok meeting agreement was reached with the major Latin American nations—Brazil, Mexico, Argentina, and Venezuela—plus Chile and Colombia, to support the Private Initiative Fund proposed by President Bush as part of his "Initiative for the Americas" program.

This fund is designed to stimulate private investment by financing business projects, both new and privatized programs, concentrating on small and midsized Latin American industry.

The United States and Japan have pledged to place $500 million each in this fund, and Cananda has agreed to contribute $60 million.

Together, the six Latin American countries will contribute a total of $100 million.

The loans will be made at very favorable terms and long-term interest rates for the private sector.

Reserve Accumulation Policy To Continue

The Cordiplan minister also defended the administration's program of accumulating international reserves. This policy is essential to restore the economy, after the debacle this administration inherited in 1989 when there was only $300 million in the Central Bank's vaults.

He said the big mistake the Latin American countries made is that they adopted adjustment programs without having sufficient international resources. This has led to major devaluations.

This year Venezuela expects to have a surplus of approximately $2.5 billion in the balance-of-payments' current account. This surplus is the result of both public and private savings and investment.

He reported that inflation should not reach 30 percent even though inflation will be seasonally high in November and December; efforts are being made to slow down rising price trends.

He considers the 80-percent reserve requirement a positive factor. It will slow down inflationary pressures.

On the subject of economic growth, the GNP is expected to grow between 6 and 8 percent.

* Crime, Drugs Increase in El Hatillo Area

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[Article by Jorge Medina Lugo: "El Hatillo a Paradise for Car Thieves"]

[Text] The lack of security is a worsening social problem further aggravated by the crisis in which the country currently finds itself and the absence of any official policies to deal decisively with the evil.

This situation is reflected in the most remote corners of our national geography, although it is felt most strongly in the large metropolitan areas.

One example is El Hatillo, a picturesque district of Miranda east of Caracas, whose inhabitants have traditionally made their living from agriculture. Today, however, they are no longer free of assault from the underworld, drug use and trafficking, automobile theft, and other evils that have the people in a constant state of fright.

Crime in El Hatillo

The crime wave in El Hatillo is not as bad as in the metropolitan area of Caracas for several reasons. One of them has to do with the fact that the town has the help of the Baruta Metropolitan Police, a highly trained corps.

Hermes Mata, president of El Hatillo Homeowners Association, notes that in addition, personnel in the prefecture, officials, the civilian chief, and secretaries are all professionals with legal training. "The situation in the country and the high cost of living are the main causes of crime," he stresses.

In Mata's opinion, isolated incidents of crime do occur in the community, although he states that automobile theft is common on the thoroughfare running from Los Guayabitos, Gavilan, and Turgua to La Ceiba in Santa Lucia.

"That artery is used by thieves and burglars to hide the automobiles they steal in other regions of the nation."

In addition, we face another serious problem: We do not have sufficient police units or adequate personnel to cover the zone.

Mata also wonders whether the community has not fallen victim to the abrupt irruption of tourism and the

sudden wave of all kinds of new businesses, which are rapidly changing the small-town image the community has always enjoyed. "This new situation, which is urban, tourist oriented and commercial, must be accompanied by services and appropriate laws, ordinances, resolutions, orders, and regulations," our interviewee declared.

Underworld

Antonio Askiogli is a merchant twice victimized by thieves.

"One morning, I was inside my business when two men rushed in. One asked for a watch to give to his father for his birthday. I told him I did not sell that type of merchandise. Without wasting any time, the other man aimed a pistol at me, a clerk, and three customers."

He adds that they were all tied up and taken into the storeroom, where the pair stole a television set, three cameras, and 1,500 bolivars in cash.

Askiogli has lived in the country for 28 years and although his household electrical appliance store is the oldest, it is not exempt from robbery.

"A few days ago, a customer had a problem with her car and when she got out to fix it, two youths snatched her purse and ran off."

Drugs a Relevant Problem

Marvelis Suarez de Diaz is the civilian head of El Hatillo. She is well aware of the community's problems, having been born there.

She knows the main problem is drug trafficking and use because she hears constant verbal—never written—reports from local residents. However, she warns that this fact prevents police from acting with greater speed because they have no legal grounds.

"The people are afraid and file no specific complaints. We have carried out operations in the district of El Calvario but without any good results, mainly because of a lack of cooperation from the community."

She admits that the rural zone of El Hatillo has turned into a warehouse for vehicles stolen in other parts of the country.

"El Hatillo has few criminals and when we are hit, most wrongdoers are from the outside. We have also seen a resurgence of holdups and muggings, especially by juveniles, most of whom do reside in the community."

She believes the best way to fight crime is by equipping police agencies better.

Corps Adrift

One problem that has a negative effect on fighting the lack of security in the zone is the personnel shortage of Metropolitan Police District 41, which has to cover a territory 108 km square.

According to one police source, covering the marathon distance effectively requires a minimum of eight patrols per shift, but only two are on duty 24 hours a day. He said the district has 72 officers without counting officials. The Monday-to-Friday shift includes administrative personnel and personnel providing special services at police stations and commercial centers.

The same source revealed that the police crisis causes officers to transfer to other forces in the interior, which offer better benefits. In El Hatillo, a policeman earns 12,000 bolivars a month, while in the municipality of Sucre, policemen will begin receiving 21,000 bolivars in January.

Local Alternative

The crime wave in El Hatillo has led some neighborhood associations to organize to meet the onslaught. One example is La Lagunita Country Club Members Association (ASOPAR), which set up a security program five years ago to reduce any such danger, rather high at the time, to a minimum.

The plan was implemented with a police unit using five patrols and two motorcycle officers working 24 hours a day and adequately equipped to exercise effective surveillance of the area.

ASOPAR's security director said the plan is an experiment conducted in conjunction with police authorities and that it is yielding good results.

He emphasized that the area had previously had six robberies a month, but that the incidence of crime has now plummeted.